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IN THE HOUSE OF REPRESENTATIVES

APRIL 10, 1973

Mr. MILLS of Arkansas (for himself, Mr. SCHNEEBELI, Mr. CONABLE, Mr. CHAMBERLAIN, Mr. CLANCY, Mr. BROTZMAN, Mr. PETTIS, and Mr. DUNCAN) introduced the following bill; which was referred to the Committee on Ways and Means

A BILL

To promote the development of an open, nondiscriminatory, and fair world economic system, to stimulate the economic growth of the United States, and to provide the President with additional negotiating authority therefor, and for other purposes.

- 1 *Be it enacted by the Senate and House of Representa-*
- 2 *tives of the United States of America in Congress assembled,*
- 3 That this Act, with the following table of contents, may be
- 4 cited as the "Trade Reform Act of 1973".

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1 SECTION 1. SHORT TITLE.—This Act may be cited as
2 the “Trade Reform Act of 1973”.

3 SEC. 2. STATEMENT OF PURPOSES.—The purposes of
4 this Act are—

5 (a) to provide authority in the trade field support-
6 ing United States participation in an interrelated effort
7 to develop an open, nondiscriminatory and fair world
8 economic system through reform of international trade
9 rules, formulation of international standards for invest-
10 ment and tax laws and policies, and improvement of the
11 international monetary system;

12 (b) to facilitate international cooperation in eco-
13 nomic affairs for the purpose of providing a means of
14 solving international economic problems, furthering
15 peace and raising standards of living throughout the
16 world;

1 (c) to stimulate the economic growth of the United
2 States and enlarge foreign markets for the products of
3 United States commerce (including agriculture, manu-
4 facturing, mining, and fishing) by furthering the expan-
5 sion of world trade through the progressive reduction and
6 elimination of barriers to trade on a basis of mutual
7 benefit and equity;

8 (d) to establish a program of temporary import re-
9 lief to facilitate adjustment of sections of the domestic
10 economy adversely affected by increased imports, con-
11 sistent with anticipated multilateral safeguard rules being
12 negotiated with other trading nations;

13 (e) to provide trade adjustment assistance to work-
14 ers adversely affected by increased imports;

15 (f) improve the means of dealing with problems
16 of unfair import competition;

17 (g) to provide additional authority for the Presi-
18 dent to facilitate his negotiations with foreign nations
19 to obtain for exports of American producers fair treat-
20 ment and equitable access to foreign markets;

21 (h) to provide the President with more flexible
22 authority to deal with matters affecting trade, including
23 the full exercise of United States rights in the context
24 of international agreements and the use of temporary

1 measures to deal with balance of payments disequilibria
2 and to restrain inflation;

3 (i) to enable the United States to take advantage
4 of new trade opportunities with countries with which
5 it has not had trade agreement relations in the recent
6 past; and

7 (j) to provide for United States participation in the
8 common effort of developed countries to open their mar-
9 kets on a generalized preferential basis to the products
10 of developing countries.

11 TITLE I—AUTHORITY FOR NEW NEGOTIATIONS

12 CHAPTER 1—GENERAL AUTHORITIES

13 SEC. 101. BASIC AUTHORITY FOR TRADE AGREE-
14 MENTS.—Whenever the President determines that any of the
15 purposes of this Act will be promoted thereby, the President
16 may—

17 (1) after the date of enactment of this Act, and be-
18 fore five years from that date, enter into trade agree-
19 ments with foreign countries or instrumentalities there-
20 of; and

21 (2) provide for such modification or continuance
22 of any existing duty, such continuance of existing duty-
23 free or excise treatment, or such additional duties, as he
24 determines to be required or appropriate to carry out any
25 such trade agreement.

1 SEC. 102. STAGING REQUIREMENTS AND ROUNDING

2 AUTHORITY.—(a) Except as otherwise provided in this
3 section, the aggregate reduction in the rate of duty on any
4 article which is in effect on any day pursuant to a trade
5 agreement under this title shall not exceed the aggregate
6 reduction which would have been in effect on such day—

7 (1) one-fifth of the total reduction under such
8 agreement or a reduction of 3 per centum ad valorem (or
9 ad valorem equivalent) whichever is greater, had taken
10 effect on the date of the first action pursuant to section
11 101 (b) to carry out such trade agreement, and

12 (2) the remainder of such total reduction had taken
13 effect at one-year intervals after the date referred to in
14 paragraph (1) in installments equal to the greater of
15 3 per centum ad valorem (or ad valorem equivalent)
16 or one-fourth of such remainder.

17 (b) After any part of a reduction takes effect, then any
18 time thereafter during which such part of the reduction is not
19 in effect by reason of action taken pursuant to chapter 1 of
20 title II of this Act shall be excluded in determining the one-
21 year intervals referred to in subsection (a) (2).

22 (c) If the President determines that such action will
23 simplify the computation of the amount of duty imposed with
24 respect to an article, he may exceed the limitation provided

1 by subsection (a) of this section by not more than whichever
2 of the following is lesser:

3 (1) the difference between the limitation and the
4 next lower whole number, or

5 (2) one-half of 1 per centum ad valorem, or ad
6 valorem equivalent.

7 (d) The provisions of subsection (a) need not be
8 applied if the total reduction in the rate of duty does not
9 exceed 10 per centum of the rate prior to the reduction.

10 (e) Nothing contained herein shall prevent the Presi-
11 dent, where he determines that it is appropriate, from pro-
12 viding in the case of certain products, that reductions pur-
13 suant to a trade agreement under this title shall become fully
14 effective over a longer period of time than that provided in
15 subsection (a).

16 SEC. 103. NONTARIFF BARRIERS TO TRADE.—(a) The
17 Congress finds that trade barriers and other distortions of
18 international trade are reducing the growth of foreign
19 markets for the products of United States commerce (in-
20 cluding agriculture, manufacturing, mining, and fishing),
21 diminishing the intended mutual benefits of reciprocal trade
22 concessions, and preventing the development of open and
23 nondiscriminatory trade among nations. It is the will of the
24 Congress that the President take all appropriate and feasible
25 steps within his power to reduce, eliminate, or harmonize

1 barriers and other distortions of international trade in order
2 to further the objective of providing better access for prod-
3 ucts of the United States to foreign markets.

4 (b) In order to further the objectives of subsection (a),
5 the President is urged to negotiate trade agreements with
6 other countries and instrumentalities providing on a basis of
7 mutuality for the reduction, elimination, or harmonization
8 of barriers and other distortions of international trade.
9 Nothing in this subsection or in subsection (a) shall be con-
10 strued as prior approval of any legislation that may be
11 necessary to implement an agreement concerning trade
12 barriers and other distortions of international trade.

13 (c) The President, whenever he finds that it will be of
14 substantial benefit to the United States, is hereby authorized
15 to take any action required or appropriate to carry out any
16 trade agreement negotiated pursuant to subsection (b), to
17 the extent that such implementation is limited to a reduction
18 of the burden on trade resulting from methods of customs
19 valuation, from establishing the quantities on which assess-
20 ments are made, and from requirements for marking of coun-
21 try of origin.

22 (d) Whenever the President enters into a trade agree-
23 ment providing for the reduction, harmonization, or elimina-
24 tion of barriers or other distortions of international trade, and
25 the President determines that it is necessary or appropriate

1 to seek additional action by Congress in order to implement
2 such agreement, he may authorize the entry into force of
3 such agreement and issue such orders as may be necessary
4 for the United States to fulfill its obligations under such
5 agreement, subject to the procedures contained in sub-
6 section (e).

7 (c) Orders issued pursuant to subsection (d) shall be
8 valid pursuant to this section—

9 (1) only if the President has given notice to the
10 Senate and to the House of Representatives of his inten-
11 tion to utilize this procedure, such notice to be given at
12 least ninety days in advance of his entering into an
13 agreement;

14 (2) only after the expiration of ninety days from
15 the date on which the President delivers a copy of such
16 agreement to the Senate and to the House of Represent-
17 atives, as well as a copy of his proposed orders in
18 relation to existing law and a statement of his reasons
19 as to how the agreement serves the interests of United
20 States commerce and as to why the proposed orders are
21 necessary to carry out the agreement; and

22 (3) only if between the date of delivery of the
23 agreement to the Senate and to the House of Represent-
24 atives and the expiration of the ninety-day period re-
25 ferred to in subsection (e) (2) above, neither the Sen-

1 ate nor the House of Representatives has adopted a
 2 resolution, by an affirmative vote by the yeas and nays
 3 of a majority of the authorized membership of that
 4 House, stating that it disapproves of the agreement.

5 For purposes of subsection (c) (2), in the computation of
 6 the ninety-day period there shall be excluded the days on
 7 which either House is not in session because of adjournment of
 8 more than three days to a day certain or an adjournment
 9 of the Congress sine die. The notices referred to in sub-
 10 section (c) (1) and the documents referred to in subsection
 11 (c) (2) shall be delivered to both Houses of the Congress
 12 on the same day and shall be delivered to the Clerk of the
 13 House of Representatives if the House of Representatives
 14 is not in session and to the Secretary of the Senate if the
 15 Senate is not in session.

16 CHAPTER 2—HEARINGS AND ADVICE CONCERNING

17 NEGOTIATIONS PURSUANT TO TITLE I

18 SUBCHAPTER A—TITLE I PRENEGOTIATION

19 REQUIREMENTS

20 SEC. 111. TARIFF COMMISSION ADVICE.—(a) In
 21 connection with any proposed trade agreement under sec-
 22 tion 101, the President shall from time to time publish
 23 and furnish the Tariff Commission with lists of articles
 24 which may be considered for modification or continuance

1 of United States duties, continuance of United States
2 duty-free or excise treatment, or additional duties.

3 (b) Within six months after receipt of such a list,
4 the Tariff Commission shall advise the President with
5 respect to each article of its judgment as to the probable
6 economic effect of modifications of duties on industries
7 producing like or directly competitive articles, so as to
8 assist the President in making an informed judgment as
9 to the impact that might be caused by such modifications
10 on United States industry, agriculture, and labor.

11 (c) In preparing its advice to the President, the
12 Tariff Commission shall, to the extent practicable—

13 (1) investigate conditions, causes, and effects
14 relating to competition between the foreign indus-
15 tries producing the articles in question and the
16 domestic industries producing the like or directly
17 competitive articles;

18 (2) analyze the production, trade, and consumption
19 of each like or directly competitive article, taking into
20 consideration employment, profit levels, and use of
21 productive facilities with respect to the domestic in-
22 dustries concerned, and such other economic factors
23 in such industries as it considers relevant, including
24 prices, wages, sales, inventories, patterns of demand,

1 capital investment, obsolescence of equipment, and di-
2 versification of production;

3 (3) describe the probable nature and extent of any
4 significant change in employment, profit levels, use of
5 productive facilities and such other conditions as it
6 deems relevant in the domestic industries concerned
7 which it believes such modifications would cause; and

8 (4) make special studies (including studies of real
9 wages paid in foreign supplying countries), whenever
10 deemed to be warranted, of particular proposed modifi-
11 cations affecting United States industry, commerce,
12 agriculture, mining, fishing, and labor, utilizing to the
13 fullest extent practicable United States Government
14 facilities abroad and appropriate personnel of the United
15 States.

16 (d) In preparing its advice to the President, the Tariff
17 Commission shall, after reasonable notice, hold public
18 hearings.

19 SEC. 112. ADVICE FROM DEPARTMENT.—(a) Before
20 any trade agreement is entered into under sections 101 and
21 103 of this title, the President shall seek information and
22 advice with respect to each agreement from the Departments
23 of Agriculture, Commerce, Defense, Interior, Labor, State,
24 Treasury, and the Special Representative for Trade Negotia-
25 tions, and from other sources as he may deem appropriate.

1 (b) Whenever the President or any agency seeks advice
2 of selected industry, labor, and agriculture groups concerning
3 United States negotiating objectives and bargaining positions
4 in specific product sectors prior to entering into a trade agree-
5 ment under this title, the meetings of such advisory groups
6 shall be exempt from the requirements relating to open meet-
7 ings and public participation contained in section 10 (a) (1)
8 and (3) of the Federal Advisory Committee Act.

9 SEC. 113. PUBLIC HEARINGS.—(a) In connection with
10 any proposed trade agreement under sections 101 and 103 of
11 this title, the President shall afford an opportunity for any
12 interested person to present his views concerning any article
13 on a list published pursuant to section 111, any article which
14 should be so listed, any concession which should be sought by
15 the United States, or any other matter relevant to such pro-
16 posed trade agreement. For this purpose, the President shall
17 designate an agency or an interagency committee which
18 shall, after reasonable notice, hold public hearings, and pre-
19 scribe regulations governing the conduct of such hearings.

20 (b) The organization holding such hearings shall fur-
21 nish the President with a summary thereof.

22 SEC. 114. PREREQUISITE FOR OFFERS.—In any negoti-
23 ations seeking an agreement under section 101, the President
24 may make an offer for the modification or continuance of
25 any duty, or continuance of duty-free or excise treatment,

1 with respect to any article only after he has received a sum-
2 mary of the hearings at which an opportunity to be heard
3 with respect to such article has been afforded under section
4 113. In addition, the President may make such an offer
5 only after he has received advice concerning such article
6 from the Tariff Commission under section 111 (b), or after
7 the expiration of the relevant six-month period provided for
8 in that section, whichever first occurs.

9 SUBCHAPTER B—CONGRESSIONAL LIAISON

10 SEC. 121. TRANSMISSION OF AGREEMENTS TO CON-
11 GRESS.—As soon as practicable after a trade agreement
12 entered into under section 101 or 103 has entered into
13 force with respect to the United States, the President shall,
14 if he has not previously done so, transmit a copy of such
15 trade agreement to each House of the Congress together
16 with a statement, in the light of the advice of the Tariff
17 Commission under section 111 (b), if any, and of other rele-
18 vant considerations, of his reasons for entering into the agree-
19 ment.

20 TITLE II—RELIEF FROM DISRUPTION CAUSED
21 BY FAIR COMPETITION

22 CHAPTER 1—IMPORT RELIEF

23 SEC. 201. INVESTIGATION BY TARIFF COMMISSION.—
24 (a) (1) A petition for eligibility for import relief for the
25 purpose of facilitating orderly adjustment to import competi-

1 tion may be filed with the Tariff Commission by an entity,
2 including a trade association, firm, certified or recognized
3 union, or group of workers, which is representative of an
4 industry. The petition shall include a statement describing
5 the specific purpose for which import relief is being sought,
6 which may include such objectives as facilitating the orderly
7 transfer of resources to alternative employment and other
8 means of adjustment to new conditions of competition.

9 (2) Whenever a petition is filed under this subsection,
10 the Tariff Commission shall transmit a copy thereof to the
11 Special Representative for Trade Negotiations and the agen-
12 cies directly concerned.

13 (b) (1) Upon the request of the President or the Spe-
14 cial Representative for Trade Negotiations, upon resolution
15 of either the Committee on Finance of the Senate or the
16 Committee on Ways and Means of the House of Represent-
17 atives, upon its own motion, or upon the filing of a petition
18 under subsection (a) (1), the Tariff Commission shall
19 promptly make an investigation to determine whether an
20 article is being imported into the United States in such in-
21 creased quantities as to be the primary cause of serious in-
22 jury, or the threat thereof, to the domestic industry producing
23 articles like or directly competitive with the imported article.

24 (2) In making its determination regarding serious in-
25 jury or threat thereof, the Tariff Commission shall take into

1 account all economic factors which it considers relevant, in-
2 cluding significant idling of productive facilities in the in-
3 dustry, inability of a significant number of firms to operate
4 at a reasonable level of profit, and significant unemployment
5 or underemployment within the industry.

6 (3) In making its determination regarding primary
7 cause, the Tariff Commission shall take into account all fac-
8 tors it considers relevant, including the extent to which cur-
9 rent business conditions within the industry may have con-
10 tributed to the competitive difficulties which the firms in the
11 industry have been experiencing.

12 (4) In addition, the Tariff Commission shall, for the
13 purpose of assisting the President in making his determina-
14 tions under sections 202 and 203, investigate and report on
15 efforts made by the firms in the industry to compete more
16 effectively with imports.

17 (5) In each investigation under this subsection in which
18 it is requested to do so pursuant to the petition, request, or
19 resolution referred to in subsection (b) (1) or on its own
20 motion, the Tariff Commission shall determine whether there
21 exists a condition of market disruption as defined in sub-
22 section (f) below. If the Tariff Commission finds serious
23 injury, or the threat thereof, a finding of market disruption
24 shall constitute prima facie evidence that increased quantities

1 of imports of the like or directly competitive articles are the
2 primary cause of such injury or threat thereof.

3 (c) In the course of any proceeding under subsection
4 (b), the Tariff Commission shall, after reasonable notice,
5 hold public hearings and shall afford interested parties an
6 opportunity to be present, to present evidence, and to be
7 heard at such hearings.

8 (d) (1) The Tariff Commission shall report to the Presi-
9 dent its findings under subsection (b) and the basis therefor
10 and include in each report any dissenting or separate views.
11 The Tariff Commission shall furnish to the President a tran-
12 script of the hearings and any briefs which may have been
13 submitted in connection with each investigation.

14 (2) The report of the Tariff Commission of its deter-
15 mination under subsection (b) shall be made at the earliest
16 practicable time, but not later than three months after the
17 date on which the petition is filed (or the date on which the
18 request or resolution is received or the motion is adopted, as
19 the case may be), unless prior to the end of the three-month
20 period, the Tariff Commission makes a finding that a fair and
21 thorough investigation cannot be made within that time and
22 publishes its finding in the Federal Register. In such cases,
23 the period within which the Tariff Commission must make its
24 report shall be extended by two months.

25 (3) Upon making its report to the President, the Tariff

1 Commission shall also promptly make it public (with the
2 exception of information which the Commission determines to
3 be confidential) and have a summary of it published in the
4 Federal Register.

5 (e) No investigation for the purposes of this section
6 shall be made with respect to the same subject matter as a
7 previous investigation under this section, unless one year has
8 elapsed since the Tariff Commission made its report to the
9 President of the results of such previous investigation.

10 (f) (1) For the purposes of this section the term "the
11 primary cause" means the largest single cause.

12 (2) For the purposes of this section, a condition of
13 market disruption shall be found to exist whenever a showing
14 has been made that imports of a like or directly competitive
15 article are substantial, that they are increasing rapidly both
16 absolutely and as a proportion of total domestic consumption,
17 and that they are offered at prices substantially below those
18 of comparable domestic articles.

19 (g) Any investigation by the Tariff Commission under
20 subsection (b) of section 301 of the Trade Expansion Act of
21 1962 (as in effect before the date of the enactment of this
22 Act) which is in progress immediately before such date of
23 enactment shall be continued under this section in the same
24 manner as if the investigation had been instituted originally
25 under the provisions of this section. For purposes of sub-

1 section (d) (2), the petition for any investigation to which
2 the preceding sentence applies shall be treated as having been
3 filed, or the request or resolution as having been received
4 or the motion having been adopted, as the case may be,
5 on the date of the enactment of this Act.

6 (h) If, on the date of the enactment of this Act, the
7 President had not taken any action with respect to any report
8 of the Tariff Commission containing an affirmative deter-
9 mination resulting from an investigation undertaken by it
10 pursuant to section 301 (b) of the Trade Expansion Act of
11 1962 (as in effect before the date of the enactment of this
12 Act) such report shall be treated by the President as a report
13 received by him under this section on the date of the
14 enactment of this Act.

15 SEC. 202. PRESIDENTIAL ACTION AFTER INVESTIGA-
16 TIONS.—(a) After receiving a report from the Tariff Com-
17 mission containing an affirmative finding that increased im-
18 ports have been the primary cause of serious injury or threat
19 thereof under section 201 (d) with respect to an industry,
20 the President may—

21 (1) provide import relief for such industry in
22 accordance with section 203; or

23 (2) direct the Secretary of Labor to give expedi-
24 tious consideration to petitions for adjustment assistance
25 for workers in the industry concerned; or

1 (3) take any combination of these actions.

2 (b) Within sixty days after receiving a report from the
3 Tariff Commission containing an affirmative finding under
4 section 201 (b), the President shall make his determination
5 whether to provide import relief pursuant to section 203:
6 *Provided*, That in the event the Tariff Commission was
7 equally divided, the President shall act within one hundred
8 and twenty days. If the President determines not to provide
9 import relief, he shall immediately submit a report to the
10 House of Representatives and to the Senate stating the
11 considerations on which his decision was based.

12 (c) In determining whether to provide import relief
13 pursuant to section 203, the President shall take into account,
14 in addition to such other considerations as he may deem
15 relevant—

16 (1) information and advice from the Secretary of
17 Labor on the extent to which workers in the industry
18 have applied for, are receiving, or are likely to receive
19 adjustment assistance or benefits from other manpower
20 programs;

21 (2) the probable effectiveness of import relief as a
22 means to promote achievement of the adjustment pur-
23 pose, the efforts being made or to be implemented by the
24 industry concerned to adjust to import competition and

1 other considerations relative to the position of the indus-
2 try in the Nation's economy;

3 (3) the effect of import relief upon consumers, in-
4 cluding the price and availability of the imported article
5 and the like or directly competitive article produced in
6 the United States, and upon competition in the domestic
7 markets for such articles;

8 (4) the effect of import relief on United States inter-
9 national economic interests;

10 (5) the impact upon United States industries and
11 firms as a consequence of any possible modification of
12 duties or other import restrictions which may be required
13 for purposes of compensation;

14 (6) the geographic concentration of imported prod-
15 ucts marketed in the United States; and

16 (7) alternative economic and social costs that would
17 be incurred by taxpayers, communities, and workers, if
18 import relief were or were not provided.

19 (d) The President may, within forty-five days after the
20 date on which he receives an affirmative finding of the Tariff
21 Commission under section 201 (b) with respect to an in-
22 dustry, request additional information from the Tariff Com-
23 mission. The Tariff Commission shall as soon as practicable
24 but in no event more than sixty days after the date on which
25 it receives the President's request, furnish additional informa-

1 tion with respect to such industry in a supplemental report.
2 For purposes of subsection (b), the date on which the
3 President receives such supplemental report shall be treated
4 as the date on which the President received the affirmative
5 finding of the Tariff Commission.

6 SEC. 203. IMPORT RELIEF.—(a) If the President
7 determines pursuant to section 202 to provide import relief,
8 he shall, to the extent and for such time (not to exceed five
9 years) that he determines necessary to prevent or remedy
10 serious injury or the threat thereof to the industry in ques-
11 tion and to facilitate the orderly adjustment to new com-
12 petitive conditions by the industry in question—

13 (1) provide an increase in, or imposition of, any
14 duty or other import restriction on the article causing or
15 threatening to cause serious injury to such industry; or

16 (2) suspend, in whole or in part, the application
17 of items 806.30 or 807.00 of the Tariff Schedules of the
18 United States with respect to such article; or

19 (3) negotiate orderly marketing agreements with
20 foreign countries limiting the export from foreign coun-
21 tries and the import into the United States of the article
22 causing or threatening to cause serious injury to such
23 industry; or

24 (4) take any combination of such actions.

25 (b) Import relief provided pursuant to subsection (a).

1 shall become initially effective no later than sixty days after
2 the President's determination under section 202 to provide
3 import relief, except that the applicable period within which
4 import relief such be initially provided shall be one hundred
5 and eighty days if the President announces at the time of his
6 determination to provide import relief his intention to nego-
7 tiate one or more orderly marketing agreements pursuant
8 to subsection (a) (3) of this section.

9 (c) In order to carry out an agreement concluded
10 under subsection (a) (3), the President is authorized to
11 issue regulations governing the entry or withdrawal from
12 warehouse of articles covered by such agreement. In addi-
13 tion, in order to carry out one or more agreements concluded
14 under subsection (a) (3) among countries accounting for a
15 significant part of United States imports of the article cov-
16 ered by such agreements, the President is also authorized
17 to issue regulations governing the entry or withdrawal from
18 warehouse of the like articles which are the product of
19 countries not parties to such agreements.

20 (d) (1) Wherever the President has acted pursuant to
21 subsection (a) (1) or (2), he may at any time thereafter
22 while such import relief is in effect, negotiate orderly market-
23 ing agreements with foreign countries, and may, upon the
24 entry into force of such agreements, suspend or terminate,
25 in whole or in part, such other actions previously taken.

1 (2) Any import relief provided pursuant to this sec-
2 tion (including relief provided under any orderly marketing
3 agreement) may be suspended, terminated, or reduced by
4 the President at any time and, unless renewed under sub-
5 section (d) (3), shall terminate not later than the close of
6 the date which is five years after the effective date of the
7 initial grant of any relief under this section.

8 (3) Any import relief provided pursuant to this sec-
9 tion (including any orderly marketing agreements) shall
10 be phased out during the period of import relief and, in the
11 case of a five-year term of import relief, the first reduction
12 of relief shall commence no later than the close of the date
13 which is three years after the effective date of the initial
14 grant of relief. The phasing out of an orderly marketing
15 agreement may be accomplished through increases in the
16 amounts of imports which may be entered during a year.

17 (4) Any import relief provided pursuant to this section
18 (including any orderly marketing agreements) may be
19 renewed in whole or in part by the President for one two-
20 year period if he determines, after taking into account the
21 advice received from the Tariff Commission under subsection
22 (e) (2) and after taking into account the factors described
23 in section 202 (b), that such renewal is in the national
24 interest.

25 (e) (1) So long as any import relief pursuant to this

1 section (including any orderly marketing agreements) re-
2 mains in effect, the Tariff Commission shall keep under
3 review developments with respect to the industry concerned
4 and upon request of the President shall make reports to the
5 President concerning such developments.

6 (2) Upon petition on behalf of the industry concerned,
7 filed with the Tariff Commission not earlier than the date
8 which is nine months, and not later than the date which is
9 six months, before the date any import relief is to terminate
10 fully by reason of the expiration of the applicable period
11 prescribed pursuant to subsection (d) (2), the Tariff Com-
12 mission shall report to the President its findings as to the
13 probable economic effect on such industry of such termina-
14 tion as well as the progress and specific efforts made by the
15 firms in the industry concerned to adjust to import competi-
16 tion during the initial period of import relief.

17 (3) Advice by the Tariff Commission under subsection
18 (e) (2) shall be given on the basis of an investigation during
19 the course of which the Tariff Commission shall hold a hear-
20 ing at which interested persons shall be given a reasonable
21 opportunity to be present, to produce evidence, and to be
22 heard.

23 (f) No investigation for the purposes of section 201
24 shall be made with respect to an industry which has received

1 import relief under this section unless two years have elapsed
2 since the expiration of import relief under subsection (d).

3 CHAPTER 2—ADJUSTMENT ASSISTANCE FOR WORKERS

4 SUBCHAPTER A—PETITIONS AND DETERMINATIONS

5 SEC. 221. PETITIONS.—(a) A petition for a certifica-
6 tion of eligibility to apply for adjustment assistance may be
7 filed with the Secretary of Labor (hereinafter in this chapter
8 referred to as “the Secretary”) by a group of workers or by
9 their certified or recognized union or other duly authorized
10 representative. Upon receipt of the petition, the Secretary
11 shall promptly publish notice in the Federal Register that
12 he has received the petition and initiated an investigation.

13 (b) If the petitioner, or any other person found by the
14 Secretary to have a substantial interest in the proceedings,
15 submits not later than ten days after the Secretary’s publi-
16 cation of notice under subsection (a) a request for a hearing,
17 the Secretary shall provide for a public hearing and afford
18 such interested persons an opportunity to be present, to pro-
19 duce evidence, and to be heard. The Secretary may request
20 the Tariff Commission to hold any hearing required by this
21 section and submit the transcript thereof and relevant infor-
22 mation and documents to him within a specified time.

23 SEC. 222. GROUP ELIGIBILITY REQUIREMENTS.—A
24 group of workers shall be certified as eligible to apply for ad-
25 justment assistance under this chapter if the Secretary deter-

1 mines that a significant number or proportion of the workers
2 in such workers' firm or an appropriate subdivision of the
3 firm have become totally or partially separated, or are
4 threatened to become totally or partially separated, that
5 sales or production, or both, of such firm or subdivision have
6 decreased absolutely, and that increases of imports of articles
7 like or directly competitive with articles produced by such
8 workers' firm or an appropriate subdivision thereof con-
9 tributed substantially to such total or partial separation, or
10 threat thereof.

11 SEC. 223. DETERMINATIONS BY SECRETARY OF
12 LABOR.—(a) As soon as possible after the date on which a
13 petition is filed under section 221, but in any event not
14 later than sixty days after that date, the Secretary shall
15 determine whether the petitioning group meets the require-
16 ments of section 222 and issue a certification of eligibility
17 to apply for assistance under this chapter covering workers
18 in any group which meets such requirements. Each certifi-
19 cation shall specify the date on which the total or partial
20 separation began or threatened to begin.

21 (b) A certification under this section shall not apply
22 to any worker whose last total or partial separation from
23 the firm or appropriate subdivision of the firm prior to his
24 application under section 231 occurred (1) more than one
25 year before the date of the petition upon which such certi-

1 fication was granted or (2) more than six months prior to
2 the effective date of this Act.

3 (c) Whenever the Secretary concludes that the Tariff
4 Commission can aid him in reaching a determination under
5 this section, he may request the Tariff Commission to con-
6 duct an investigation of facts relevant to such determina-
7 tion and to report the results within a specified time.
8 In his request, the Secretary may state the particular kinds
9 of data which he deems appropriate to be included.

10 (d) Upon reaching his determination on a petition, the
11 Secretary shall promptly publish a summary of the deter-
12 mination in the Federal Register.

13 (e) Whenever the Secretary determines, with respect
14 to any certification of eligibility of the workers of a firm
15 or subdivision of the firm, that total or partial separations
16 from such firm or subdivision are no longer attributable to
17 the conditions specified in section 222, he shall terminate such
18 certification and promptly have notice of such termination
19 published in the Federal Register. Such termination shall
20 apply only with respect to total or partial separations occur-
21 ring after the termination date specified by the Secretary.

22 SUBCHAPTER B—PROGRAM BENEFITS

23 Part I—Supplemental Payments

24 SEC. 231. QUALIFYING REQUIREMENTS FOR WORK-
25 ERS.—An adversely affected worker covered by a certifica-

1 tion under subchapter A who files an application with a
2 cooperating State agency shall, in accordance with the pro-
3 visions of this subchapter, be paid a supplement to the State
4 unemployment insurance payments to which he is otherwise
5 entitled, if the following conditions are met:

6 (A) Such worker's last total or partial separation
7 prior to his application under this section, occurred—

8 (1) on or after the date, as specified in the
9 certification under which he is covered, on which
10 total or partial separation began or threatened to
11 begin in the adversely affected employment, and

12 (2) before the expiration of the two-year
13 period beginning on the date on which the deter-
14 mination under section 223 was made, and

15 (3) before the termination date (if any) de-
16 termined pursuant to section 223 (e) ; and

17 (B) Such worker had, in the fifty-two weeks im-
18 mediately preceding such total or partial separation, at
19 least twenty-six weeks of employment at wages of \$30
20 or more a week in adversely affected employment with
21 a single firm or subdivision of a firm, or, if data with
22 respect to weeks of employment are not available, equiv-
23 alent amounts of employment computed under regu-
24 lations prescribed by the Secretary.

1 SEC. 232. SUPPLEMENT TO UNEMPLOYMENT INSUR-

2 ANCE.—(a) Any adversely affected worker who meets the
3 requirements of section 231 and receives States unemploy-
4 ment insurance payments for any week within the two-year
5 period beginning with the date on which his last total or
6 partial separation prior to his application under section 231
7 occurred shall receive a payment equal to the amount (if
8 any) by which the unemployment insurance payment he
9 receives under the applicable State law for such week is less
10 than the payment he would have received for such week had
11 the applicable State law provided that—

12 (1) the weekly benefit amount of any eligible indi-
13 vidual for a week of total unemployment shall be—

14 (i) an amount equal to at least one-half of such
15 individual's average weekly wage as determined by
16 the State agency; or

17 (ii) the maximum weekly benefit amount pay-
18 able under such State law, whichever is the lesser,
19 and

20 (2) the maximum weekly benefit amount shall be
21 no less than $66\frac{2}{3}$ per centum of the statewide average
22 weekly wage most recently computed before the begin-
23 ning of the individual's benefit year.

24 (b) The amount of any weekly payment to be made

1 under this section which is not a whole dollar amount shall
2 be rounded upward to the next higher whole dollar amount.

3 (c) For the purposes of this section—

4 (1) “benefit year” means a period as defined in
5 State law except that it shall not exceed one year begin-
6 ning subsequent to the end of an individual’s base period.

7 (2) “base period” means a period as defined in
8 State law except that it shall be fifty-two consecutive
9 weeks, one year, or four calendar quarters ending not
10 earlier than six months prior to the beginning of an
11 individual’s benefit year.

12 (3) “individual’s average weekly wage” means—

13 (i) in a State which computes individual
14 weekly benefit amounts on the basis of high quarter
15 wages, an amount equal to one-thirteenth of an in-
16 dividual’s high quarter wages; or

17 (ii) in any other State, an amount computed
18 by dividing the total amount of wages (irrespective
19 of the limitation on the amount of wages subject to
20 contribution under the State law) paid to such in-
21 dividual during his base period by the number of
22 weeks in which he performs services in employment
23 covered under such law during such period.

24 (4) “high quarter wages” means the amount of
25 wages for services performed in employment covered

1 under the State law paid to an individual in that quarter
2 of his base period in which such wages were highest,
3 irrespective of the limitation on the amount of wages
4 subject to contributions under such State law.

5 (5) "Statewide average weekly wage" means the
6 amount computed by the State agency at least once
7 each year on the basis of the aggregate amount of
8 wages, irrespective of the limitation on the amount of
9 wages subject to contributions under such State law,
10 reported by employers as paid for services covered under
11 such State law during the first four of the last six
12 completed calendar quarters prior to the effective date
13 of the computation, divided by a figure representing
14 fifty-two times the twelve-month average of the num-
15 ber of employees in the pay period containing the twelfth
16 day of each month during the same four calendar quar-
17 ters, as reported by such employers.

18 PART II—TRAINING AND RELATED SERVICES

19 SEC. 233. EMPLOYMENT SERVICES.—The Secretary
20 shall make every reasonable effort to secure for adversely
21 affected workers covered by a certification under sub-
22 chapter A of this chapter counseling, testing, and placement
23 services, and supportive and other services, provided for
24 under any Federal law. The Secretary shall, whenever ap-

1 appropriate, procure such services through agreements with
2 cooperating State agencies.

3 SEC. 234. TRAINING.—(a) It the Secretary determines
4 that there is no suitable employment available for an ad-
5 versely affected worker covered by a certification under sub-
6 chapter A of this chapter, but that suitable employment
7 (which may include technical and professional employment)
8 would be available if the worker received appropriate train-
9 ing, he may authorize such training. Insofar as possible, the
10 Secretary shall provide or assure the provision of such train-
11 ing on a priority basis through manpower and related service
12 programs established by law.

13 (b) The Secretary may, where appropriate, authorize
14 supplemental assistance necessary to defray transportation
15 and subsistence expenses for separate maintenance when
16 training is provided in facilities which are not within com-
17 muting distance of a worker's regular place of residence. The
18 Secretary shall not authorize payments for subsistence ex-
19 ceeding \$5 per day; nor shall he authorize payments for
20 transportation expenses exceeding 10 cents per mile.

21 (c) The Secretary shall not authorize any training pro-
22 gram under this section which begins more than one year
23 from certification under subchapter A or the applicant's last
24 total or partial separation prior to his application under sec-
25 tion 231, whichever is later.

1 (d) Any adversely affected worker who, without good
2 cause, refuses to accept or continue, or fails to make satis-
3 factory progress in, suitable training to which he has been
4 referred by the Secretary shall not thereafter be entitled to
5 payments under this chapter until he enters or resumes the
6 training to which he has been so referred.

7 PART III—JOB SEARCH AND RELOCATION ALLOWANCES

8 SEC. 235. JOB SEARCH ALLOWANCES.—(a) Any ad-
9 versely affected worker covered by a certification under sub-
10 chapter A of this chapter who has been totally separated may
11 file an application with the Secretary for a job search allow-
12 ance. Such allowance, if granted, shall provide reimbursement
13 to the worker of 80 per centum of the cost of his necessary job
14 search expenses as prescribed by regulations of the Secretary:
15 *Provided*, That such reimbursement may not exceed \$500
16 for any worker.

17 (b) A job search allowance may be granted only—

18 (1) to assist an adversely affected worker in secur-
19 ing a job within the United States;

20 (2) where the Secretary determines that such
21 worker cannot reasonably be expected to secure suitable
22 employment in the commuting area in which he resides;
23 and

24 (3) where the worker has filed an application for
25 such allowance with the Secretary no later than one

1 year from the date of his last total separation prior to his
2 application under section 231.

3 SEC. 236. RELOCATION ALLOWANCES.—(a) Any ad-
4 versely affected worker covered by a certification under sub-
5 chapter A of this chapter who is the head of a family as
6 defined in regulations prescribed by the Secretary and who
7 has been totally separated may file an application with the
8 Secretary for a relocation allowance, subject to the terms
9 and conditions of this section.

10 (b) A relocation allowance may be granted only to
11 assist an adversely affected worker in relocating within the
12 United States and only if the Secretary determines that
13 such worker cannot reasonably be expected to secure suit-
14 able employment in the commuting area in which he resides
15 and that such worker—

16 (1) has obtained suitable employment affording a
17 reasonable expectation of long-term duration in the area
18 in which he wishes to relocate, or

19 (2) has obtained a bona fide offer of such
20 employment.

21 (c) A relocation allowance shall not be granted to such
22 worker unless—

23 (1) for the week in which the application for such
24 allowance is filed, he is entitled to a payment under sec-
25 tion 232 or would be so entitled (determined without re-

1 gard to whether he filed application therefor) but for the
2 fact that

3 (A) he has obtained the employment referred
4 to in subsection (b) (1), or

5 (B) the unemployment insurance payment he
6 receives is equal to or greater than the payment he
7 would have received for such week had the appli-
8 cable State law provided as set forth in subsections
9 (1) and (2) of section 232 (a),

10 and

11 (2) such relocation occurs within a reasonable pe-
12 riod after the filing of such application or (in the case of
13 a worker undergoing vocational training under the provi-
14 sions of any Federal statute) within a reasonable period
15 after the conclusion of such training.

16 (d) For the purposes of this section, the term “reloca-
17 tion allowance” means—

18 (1) 80 per centum of the reasonable and necessary
19 expenses, as specified in regulations prescribed by the
20 Secretary, incurred in transporting a worker and his
21 family and their household effects, and

22 (2) a lump sum equivalent to three times the work-
23 er’s average weekly wage, up to a maximum payment of
24 \$500.

1 SUBCHAPTER C—GENERAL PROVISIONS

2 SEC. 237. AGREEMENTS WITH STATES.—(a) The Sec-
3 retary is authorized on behalf of the United States to enter
4 into an agreement with any State, or with any State agency
5 (referred to in this chapter as “cooperating States” and “co-
6 operating State agencies” respectively). Under such an
7 agreement, the cooperating State agency (1) as agent of
8 the United States, will receive applications for, and will
9 provide, payments on the basis provided in this chapter,
10 (2) where appropriate, will afford adversely affected work-
11 ers who apply for payments under this chapter testing, coun-
12 seling, referral to training, and placement services, and (3)
13 will otherwise cooperate with the Secretary and with other
14 State and Federal agencies in providing payments and
15 services under this chapter.

16 (b) Each agreement under this subchapter shall pro-
17 vide the terms and conditions upon which the agreement
18 may be amended, suspended, or terminated.

19 (c) Each agreement under this subchapter shall provide
20 that unemployment insurance otherwise payable to any ad-
21 versely affected worker will not be denied or reduced for any
22 week by reason of any right to payments under this chapter.

23 (d) A determination by a cooperating State agency
24 with respect to entitlement to payments under an agreement
25 is subject to review in the same manner and to the same ex-

1 tent as determinations under the applicable State law and
2 in that manner and to that extent.

3 SEC. 238. ADMINISTRATION ABSENT STATE AGREE-
4 MENT.—(a) In any State where there is no agreement in
5 force between a State or its agency under section 237, the
6 Secretary shall arrange under regulations prescribed by him
7 for performance of all necessary functions under subchapter
8 B of this chapter, including provision for a fair hearing for
9 any worker whose application for payments is denied.

10 (b) A final determination under subsection (a) with
11 respect to entitlement to payments under subchapter B of
12 this chapter is subject to review by the courts in the same
13 manner and to the same extent as is provided by section 405
14 (g) of title 42 of the United States Code.

15 SEC. 239. PAYMENTS TO STATES.—(a) The Secretary
16 shall from time to time certify to the Secretary of the Treas-
17 ury for payment to each cooperating State, the sums neces-
18 sary to enable such State as agent of the United States to
19 make payments provided for by this chapter. The Secretary
20 of the Treasury, prior to audit or settlement by the General
21 Accounting Office, shall make payment to the State in ac-
22 cordance with such certification, from the funds for carrying
23 out the purposes of this chapter.

24 (b) All money paid a State under this section shall be
25 used solely for the purposes for which it is paid; and money

1 so paid which is not used for such purposes shall be returned,
2 at the time specified in the agreement under this subchapter,
3 to the Treasury and credited to current applicable appropria-
4 tions, funds, or accounts from which payments to States
5 under this section may be made.

6 (c) Any agreement under this subchapter may require
7 any officer or employee of the State certifying payments or
8 disbursing funds under the agreement, or otherwise partici-
9 pating in the performance of the agreement, to give a surety
10 bond to the United States in such amount as the Secretary
11 may deem necessary, and may provide for the payment of
12 the cost of such bond from funds for carrying out the purposes
13 of this chapter.

14 SEC. 240. LIABILITIES OF CERTIFYING AND DISBURS-
15 ING OFFICERS.—(a) No person designated by the Secre-
16 tary, or designated pursuant to an agreement under this
17 subchapter, as a certifying officer, shall, in the absence of
18 gross negligence or intent to defraud the United States, be
19 liable with respect to any payment certified by him under
20 this chapter.

21 (b) No disbursing officer shall, in the absence of gross
22 negligence or intent to defraud the United States, be liable
23 with respect to any payment by him under this chapter if
24 it was based upon a voucher signed by a certifying officer
25 designated as provided in subsection (a).

1 SEC. 241. RECOVERY OF OVERPAYMENTS.—(a) If a
2 cooperating State agency or the Secretary, or a court of
3 competent jurisdiction finds that any person—

4 (1) has made, or has caused to be made by
5 another, a false statement or representation of a material
6 fact knowing it to be false, or has knowingly failed or
7 caused another to fail to disclose a material fact; and

8 (2) as a result of such action has received any pay-
9 ment under this chapter to which he was not entitled,
10 such person shall be liable to repay such amount to the
11 State agency or the Secretary as the case may be, or either
12 may recover such amount by deductions from any sums
13 payable to such person under this chapter. Any such finding
14 by a State agency or the Secretary may be made only after
15 an opportunity for a fair hearing.

16 (b) Any amount repaid to a State agency under this
17 section shall be deposited into the fund from which payment
18 was made. Any amount repaid to the Secretary under this
19 section shall be returned to the Treasury and credited to the
20 current applicable appropriation, fund, or account from which
21 payment was made.

22 SEC. 242. PENALTIES.—Whoever makes a false state-
23 ment of a material fact knowing it to be false, or knowingly
24 fails to disclose a material fact, for the purpose of obtaining
25 or increasing for himself or for any other person any pay-

1 ment authorized to be furnished under this chapter or pur-
2 suant to an agreement under section 237 shall be fined not
3 more than \$1,000 or imprisoned for not more than one year,
4 or both.

5 SEC. 243. AUTHORIZATION OF APPROPRIATIONS.—

6 There are hereby authorized to be appropriated to the Secre-
7 tary such sums as may be necessary from time to time to
8 carry out his functions under this chapter in connection with
9 furnishing payments to workers, which sums are authorized
10 to be appropriated to remain available until expended.

11 SEC. 244. TRANSITIONAL PROVISIONS.—(a) Where
12 a group of workers has been certified as eligible to apply
13 for adjustment assistance under section 302 (b) (2) or (c)
14 of the Trade Expansion Act of 1962, any worker covered
15 by such certification shall be entitled to the rights and privi-
16 leges provided in chapter 3 of title III of said Act as ex-
17 isting prior to the date of enactment of this Act.

18 (b) In any case where a group of workers or their
19 certified or recognized union or other duly authorized repre-
20 sentative has filed a petition under section 301 (a) (2) of
21 the Trade Expansion Act of 1962, more than four months
22 prior to the effective date of this Act, and

23 (1) the Tariff Commission has not rejected such
24 petition prior to the effective date of this Act, and

25 (2) the President or his delegate has not issued a

1 certification under section 302 (c) of that Act to the
2 petitioning group prior to the effective date of this Act,
3 such group or representative thereof may file a new petition
4 under section 221 of this Act, not later than ninety days after
5 the effective date of this Act, and shall be entitled to the
6 rights and privileges provided in this chapter. For purposes
7 of section 223 (b) (1), the date on which such group or
8 representative filed the petition under the Trade Expansion
9 Act of 1962 shall apply. Section 223 (b) (2) shall not apply
10 to workers covered by a certification issued pursuant to a
11 petition meeting the requirements of this subsection.

12 (c) The Tariff Commission shall make available to the
13 Secretary on request data it has acquired in investigations
14 under section 301 of the Trade Expansion Act of 1962 con-
15 cluded within the two-year period ending on the date of
16 enactment of this Act, which did not result in Presidential
17 action under section 302 (a) (3) or 302 (c) of that Act.

18 SEC. 245. DEFINITIONS.—For purposes of this chapter—

19 (1) The term “adversely affected employment” means
20 employment in a firm or appropriate subdivision of a firm, if
21 workers of such firm or subdivision are eligible to apply
22 for payments under this chapter.

23 (2) The term “adversely affected worker” means an
24 individual who, because of lack of work in an adversely
25 affected employment—

1 (A) has been totally or partially separated from
2 such employment, or

3 (B) has been totally separated from employment
4 with the firm in a subdivision of which such adversely
5 affected employment exists.

6 (3) The term "average weekly wage" means one-
7 thirteenth of the total wages paid to an individual in the
8 high quarter. For purposes of this computation, the high
9 quarter shall be that quarter in which the individual's total
10 wages were highest among the first hour of the last five com-
11 pleted calendar quarters immediately before the quarter in
12 which occurs the week with respect to which the computa-
13 tion is made. Such week shall be the week in which total
14 separation occurred, or, in cases where partial separation is
15 claimed, an appropriate week, as defined in regulation pre-
16 scribed by the Secretary.

17 (4) The term "average weekly hours" means the
18 average hours worked by the individual (excluding over-
19 time) in the employment from which he has been or claims
20 to have been separated in the fifty-two weeks (excluding
21 weeks during which the individual was sick or on vacation)
22 preceding the week specified in the last sentence of para-
23 graph (3).

24 (5) The term "total separation" means the layoff or
25 severance of an individual from employment with a firm in

1 which, or in a subdivision of which, adversely affected
2 employment exists.

3 (6) The term "partial separation" means, with respect
4 to an individual who has not been totally separated, that he
5 has had his hours of work reduced to 80 per centum or less
6 of his average weekly hours in adversely affected employment
7 and his wages reduced to 75 per centum or less of his
8 average weekly wage in such adversely affected employment.

9 (7) The term "State" includes the District of Columbia
10 and the Commonwealth of Puerto Rico; and the term "United
11 States" when used in the geographical sense includes such
12 Commonwealth.

13 (8) The term "State agency" means the agency of
14 the State which administers the State law.

15 (9) The term "State law" means the unemployment
16 insurance law of the State approved by the Secretary under
17 section 3304 of the Internal Revenue Code of 1954.

18 (10) The term "unemployment insurance" means the
19 unemployment insurance payable to an individual under any
20 State law or Federal unemployment insurance law, including
21 title 5 of the United States Code, chapter 85, and the Rail-
22 road Unemployment Insurance Act.

23 SEC. 246. ADMINISTRATIVE PROVISION.—The Secre-
24 tary of Labor shall, in coordination with the Special Repre-
25 sentative for Trade Negotiations, prescribe such regulations

1 as may be necessary to implement the provisions of this
2 chapter.

3 TITLE III—RELIEF FROM UNFAIR TRADE
4 PRACTICES

5 CHAPTER 1—FOREIGN IMPORT RESTRICTIONS

6 SEC. 301. RESPONSES TO UNFAIR FOREIGN IMPORT
7 RESTRICTIONS AND EXPORT SUBSIDIES.—(a) Whenever
8 the President determines that a foreign country or instru-
9 mentality—

10 (1) maintains unjustifiable or unreasonable tariff
11 or other import restrictions which impair the value of
12 trade commitments made to the United States or which
13 burden, restrict, or discriminate against United States
14 commerce,

15 (2) engages in discriminatory or other acts or
16 policies which are unjustifiable or unreasonable and
17 which burden or restrict United States commerce, or

18 (3) provides subsidies (or other incentives having
19 the effect of subsidies) on its exports of one or more
20 products to other foreign markets which have the effect
21 of substantially reducing sales of the competitive United
22 States product or products to those other foreign
23 markets;

24 the President—

25 (A) shall take all appropriate and feasible

1 steps within his power to obtain the elimination of
2 such restrictions or subsidies;

3 (B) may refrain from providing benefits of
4 trade agreement concessions to carry out a trade
5 agreement with such country or instrumentality;
6 and

7 (C) may impose duties or other import restric-
8 tions on the products of such foreign country or
9 instrumentality, on a most-favored-nation basis
10 or otherwise, and for such time as he deems
11 appropriate.

12 (b) In determining what action to take under sub-
13 section (a), the President shall consider the relationship of
14 such action to the international obligations of the United
15 States and to the purposes of this Act as specified in
16 section 2.

17 (c) The President shall provide an opportunity for any
18 interested person to bring to his attention any foreign re-
19 strictions, acts, or policies of the kind referred to in para-
20 graphs (1), (2), or (3) of subsection (a). Such oppor-
21 tunity shall be provided prior to the taking of any action
22 only if the President determines it feasible and appropriate.

23 CHAPTER 2—ANTIDUMPING DUTIES

24 SEC. 310. AMENDMENTS TO THE ANTIDUMPING ACT
25 OF 1921.—(a) Section 201 (b) of the Antidumping Act,
26 1921 (19 U.S.C. 160 (b)), is amended to read as follows:

1 “(b) In the case of any imported merchandise of a
2 class or kind as to which the Secretary has not so made
3 public a finding, he shall, within six months, or in more
4 complicated investigations within nine months, after the
5 question of dumping was raised by or presented to him or
6 any person to whom authority under this section has been
7 delegated—

8 “(1) determine whether there is reason to believe
9 or suspect, from the invoice or other papers or from
10 information presented to him or to any other person to
11 whom authority under this section has been delegated,
12 that the purchase price is less, or that the exporter's sales
13 price is less or likely to be less, than the foreign market
14 value (or, in the absence of such value, than the con-
15 structed value); and

16 “(2) if his determination is affirmative, publish
17 notice of that fact in the Federal Register, and require,
18 under such regulations as he may prescribe, the with-
19 holding of appraisement as to such merchandise entered,
20 or withdrawn from warehouse for consumption, on or
21 after the date of publication of that notice in the Federal
22 Register (unless the Secretary determines that the with-
23 holding should be made effective as of an earlier date in
24 which case the effective date of the withholding shall
25 be not more than one hundred and twenty days before

1 the question of dumping was raised by or presented to
2 him or any person to whom authority under this sec-
3 tion has been delegated), until the further order of the
4 Secretary, or until the Secretary has made public a find-
5 ing as provided for in subsection (a) in regard to such
6 merchandise; or

7 “ (3) if his determination is negative, publish notice
8 of that fact in the Federal Register, but the Secretary
9 may within three months thereafter order the withhold-
10 ing of appraisement if he then has reason to believe or
11 suspect, from the invoice or other papers or from in-
12 formation presented to him or to any other person to
13 whom authority under this section has been delegated,
14 that the purchase price is less, or that the exporter's sales
15 price is less or likely to be less, than the foreign market
16 value (or, in the absence of such value, than the con-
17 structed value) and such order of withholding of ap-
18 praisement shall be subject to the provisions of para-
19 graph (2).

20 If, before the expiration of six months, or in more compli-
21 cated investigations nine months, after the question of dump-
22 ing was raised or presented to him or any person to whom
23 authority under this section has been delegated, the Secre-
24 tary concludes that the determination required under para-
25 graph (1) cannot reasonably be made within such time

1 limits, he shall publish notice to that effect in the Federal
2 Register and shall make such determination (and publish
3 the notice required by paragraph (2) or (3)) within
4 twelve months after the question was so raised or presented.
5 For purposes of this subsection the question of dumping shall
6 be deemed to have been raised or presented on the date on
7 which a notice is published in the Federal Register that in-
8 formation relative to dumping has been received in accord-
9 ance with regulations prescribed by the Secretary.”

10 (b) Section 201 (c) of the Antidumping Act, 1921
11 (19 U.S.C. 160 (c)) is amended to read as follows:

12 “(c) (1) Prior to making any determination pursuant
13 to subsection (a) of this section, the Secretary or the Tariff
14 Commission, as the case may be, shall conduct a hearing on
15 the record at which—

16 “(A) any foreign manufacturer or exporter or
17 domestic importer of the foreign merchandise in question
18 shall have the right to appear by counsel or in person;
19 and

20 “(B) any other person, firm or corporation may
21 make application and, upon good cause shown, may be
22 allowed by the Secretary or the Tariff Commission, as
23 the case may be, to intervene and appear at such hearing
24 by counsel or in person.

1 “(2) The transcript of the hearing, together with all
2 papers filed in connection with the investigation (including
3 any exhibits and papers to which the Secretary or the Tariff
4 Commission, as the case may be, shall have granted con-
5 fidential or in camera treatment) constitutes the exclusive
6 record for determination. Notwithstanding any other provi-
7 sions of law, upon payment of duly prescribed costs, such
8 transcript and papers and requests (other than items to
9 which confidential or in camera treatment has been granted)
10 shall be made available to all persons.

11 “(3) The Secretary, upon determining whether for-
12 eign merchandise is being, or is likely to be, sold in the
13 United States at less than its fair value, and the Tariff Com-
14 mission, upon making its determination under subsection
15 (a), shall each include in the record and shall publish in
16 the Federal Register, such determination, whether affirma-
17 tive or negative, together with a statement of findings and
18 conclusions, and the reasons or bases therefor, on all the
19 material issues of fact or law presented on the record.

20 “(4) The hearings provided for hereunder shall be
21 exempt from the provisions of sections 554, 555, 556, and
22 557 of the Act of September 6, 1966 (5 U.S.C. 554-557).

23 (c) Section 203 of the Antidumping Act, 1921 (19
24 U.S.C. 162), is amended to read:

1 **"SEC. 203. PURCHASE PRICE.**

2 "For the purposes of this section and sections 160-171
3 of this title, the purchase price of imported merchandise
4 shall be the price at which such merchandise has been pur-
5 chased or agreed to be purchased, prior to the time of exporta-
6 tion, by the person by whom or for whose account the
7 merchandise is imported, plus, when not included in such
8 price, the cost of all containers and coverings and all other
9 costs, charges, and expenses incident to placing the merchan-
10 dise in condition, packed ready for shipment to the United
11 States, less the amount, if any, included in such price, attrib-
12 utable to any additional costs, charges, and expenses, and
13 United States import duties, incident to bringing the mer-
14 chandise from the place of shipment in the country of exporta-
15 tion to the place of delivery in the United States; and less
16 the amount, if included in such price, of any export tax im-
17 posed by the country of exportation on the exportation of
18 the merchandise to the United States; and plus the amount of
19 any import duties imposed by the country of exportation
20 which have been rebated, or which have not been collected,
21 by reason of the exportation of the merchandise to the United
22 States; and plus the amount of any taxes imposed in the coun-
23 try of exportation directly upon the exported merchandise or
24 components thereof, which have been rebated, or which have
25 not been collected, by reason of the exportation of the mer-

1 chandise to the United States; and plus the amount of any
2 other taxes rebated or not collected, by reason of the exporta-
3 tion of the merchandise to the United States, which rebate or
4 noncollection has been determined by the Secretary to be a
5 bounty or grant within the meaning of section 303 of the
6 Tariff Act of 1930.

7 (d) Section 204 of the Antidumping Act, 1921 (19
8 U.S.C. 163), is amended to read:

9 **"SEC. 204. EXPORTER'S SALES PRICE.**

10 "For the purpose of sections 160-171 of this title, the
11 exporter's sales price of imported merchandise shall be the
12 price at which such merchandise is sold or agreed to be sold
13 in the United States, before or after the time of importation,
14 by or for the account of the exporter, plus, when not included
15 in such price, the cost of all containers and coverings and all
16 other costs, charges, and expenses incident to placing the
17 merchandise in condition, packed ready for shipment to the
18 United States, less (1) the amount, if any, included in such
19 price, attributable to any additional costs, charges, and ex-
20 penses, and United States import duties, incident to bring-
21 ing the merchandise from the place of shipment in the coun-
22 try of exportation to the place of delivery in the United
23 States, (2) the amount of the commissions, if any, for sell-
24 ing in the United States the particular merchandise under
25 consideration, (3) an amount equal to the expenses, if any,

1 generally incurred by or for the account of the exporter in the
2 United States in selling identical or substantially identical
3 merchandise, (4) the amount of any export tax imposed by
4 the country of exportation on the exportation of the mer-
5 chandise to the United States, and (5) the amount of any
6 increased value, including additional material and labor, re-
7 sulting from a process of manufacture or assembly performed
8 on or with the use of the imported merchandise subsequent
9 to the importation of the merchandise and prior to its sale to
10 a person who is not the exporter of the merchandise within
11 the meaning of section 207; and plus the amount of any
12 import duties imposed by the country of exportation which
13 have been rebated, or which have not been collected, by rea-
14 son of the exportation of the merchandise to the United
15 States; and plus the amount of any taxes imposed in the
16 country of exportation directly upon the exported merchan-
17 dise or components thereof, which have been rebated, or
18 which have not been collected, by reason of the exportation
19 of the merchandise to the United States; and plus the
20 amount of any other taxes rebated, or not collected, by rea-
21 son of the exportation of the merchandise to the United
22 States, which rebate or noncollection has been determined
23 by the Secretary to be a bounty or grant within the mean-
24 ing of section 303 of the Tariff Act of 1930 (19 U.S.C.
25 1303)."

1 CHAPTER 3—COUNTERVAILING DUTIES

2 SEC. 330. AMENDMENTS TO SECTION 303 OF THE
3 TARIFF ACT OF 1930.—(a) Section 303 of the Tariff Act
4 of 1930 (19 U.S.C. 1303) is amended to read:

5 “SEC. 303. COUNTERVAILING DUTIES.

6 “(a) LEVY OF COUNTERVAILING DUTIES.—(1) When-
7 ever any country, dependency, colony, province, or other
8 political subdivision of government, person, partnership, as-
9 sociation, cartel, or corporation, shall pay or bestow, directly
10 or indirectly, any bounty or grant upon the manufacture
11 or production or export of any article or merchandise manu-
12 factured or produced in such country, dependency, colony,
13 province, or other political subdivision of government, then
14 upon the importation of such article or merchandise into
15 the United States, whether the same shall be imported di-
16 rectly from the country of production or otherwise, and
17 whether such article or merchandise is imported in the same
18 condition as when exported from the country of production
19 or has been changed in condition by remanufacture or other-
20 wise, there shall be levied and paid, in all such cases, in
21 addition to any duties otherwise imposed, a duty equal to
22 the net amount of such bounty or grant, however the same
23 be paid or bestowed.

24 “The Secretary of the Treasury shall determine within
25 twelve months after the date on which the question is pre-

1 sented to him whether any bounty or grant is being paid
2 or bestowed.

3 “(2) In the case of any imported article or merchandise
4 which is free of duty, duties may be imposed under this
5 section only if there is an affirmative determination by the
6 Tariff Commission under subsection (b) (1) : *Provided, how-*
7 *ever,* That such a Tariff Commission determination shall be
8 required only for such time as a determination of injury is
9 required by the international obligations of the United
10 States.

11 “(3) The Secretary of the Treasury shall from time to
12 time ascertain and determine, or estimate, the net amount
13 of each such bounty or grant, and shall declare the net
14 amount so determined or estimated.

15 “(4) Whenever, in the case of any imported article or
16 merchandise as to which the Secretary has not determined
17 whether a bounty or grant is being paid or bestowed, the
18 Secretary concludes, from information presented to him or
19 to any person to whom authority under this section has
20 been delegated, that a formal investigation into the question
21 of whether a bounty or grant is being paid or bestowed is
22 warranted, he shall forthwith publish notice of the initiation
23 of such an investigation in the Federal Register. The date
24 of publication of such notice shall be considered the date on

1 which the question is presented to the Secretary within the
2 meaning of subsection (a) (1).

3 “(5) The Secretary of the Treasury shall make all regu-
4 lations he may deem necessary for the identification of such
5 articles and merchandise and for the assessment and collec-
6 tion of the duties under this section. All determinations by
7 the Secretary under this subsection and all determinations
8 by the Tariff Commission under subsection (b) (1), whether
9 affirmative or negative, shall be published in the Federal
10 Register.

11 “(b) INJURY DETERMINATIONS WITH RESPECT TO
12 DUTY-FREE MERCHANDISE; SUSPENSION OF LIQUIDA-
13 TION.—(1) Whenever the Secretary of the Treasury has
14 determined under subsection (a) that a bounty or grant is
15 being paid or bestowed with respect to any article or mer-
16 chandise which is free of duty, he shall—

17 “(A) so advise the United States Tariff Commis-
18 sion, and the Commission shall determine within three
19 months thereafter, and after such investigation as it
20 deems necessary, whether an industry in the United
21 States is being or is likely to be materially injured, or is
22 prevented from being established, by reason of the im-
23 portation of such article or merchandise into the United
24 States; and the Commission shall notify the Secretary of
25 its determination; and

1 “(B) require, under such regulations as he may pre-
2 scribe, the suspension of liquidation as to such article or
3 merchandise entered, or withdrawn from warehouse,
4 for consumption, on or after the thirtieth day after the
5 date of the publication in the Federal Register of his
6 determination under subsection (a) (1), and such sus-
7 pension of liquidation shall continue until the further
8 order of the Secretary or until he has made public an
9 order as provided for in paragraph (2) of this subsection.

10 “(2) If the determination of the Tariff Commission un-
11 der subparagraph (A) is in the affirmative, the Secretary
12 shall make public an order directing the assessment and col-
13 lection of duties in the amount of such bounty or grant as is
14 from time to time ascertained and determined, or estimated,
15 under subsection (a).

16 “(c) APPLICATION OF AFFIRMATIVE DETERMINA-
17 TION.—An affirmative determination by the Secretary of the
18 Treasury under subsection (a) (1) with respect to any im-
19 ported article or merchandise which (1) is dutiable, or (2)
20 is free of duty and with respect to which the Tariff Commis-
21 sion has made an affirmative determination under subsection
22 (b) (1) (for such time as a finding of injury is required by
23 the international obligations of the United States), shall apply
24 with respect to articles entered, or withdrawn from ware-
25 house, for consumption on or after the thirtieth day after the

1 date of the publication in the Federal Register of such de-
2 termination.

3 “(d) DISCRETIONARY IMPOSITION OF COUNTERVAIL-
4 ING DUTIES.—Whenever the Secretary determines, after
5 seeking information and advice from such agencies as he may
6 deem appropriate, that—

7 “(1) the imposition of an additional duty under this
8 section upon any article would result, or be likely to
9 result in significant detriment to the economic interests
10 of the United States; or

11 “(2) that any article is subject to the a quantitative
12 limitation imposed by the United States on its importa-
13 tion into, or subject to an effective quantitative limitation
14 on its exportation to, the United States and that such
15 quantitative limitation is an adequate substitute for the
16 imposition of a duty under this section;

17 the imposition of an additional duty under this section shall
18 not be required.”

19 (b) (1) Except as provided in paragraph (2), the
20 amendments made by subsection (a) shall take effect on the
21 date of the enactment of this Act.

22 (2) The last sentence of section 303 (a) (1) of the
23 Tariff Act of 1930 (as added by subsection (a) of this sec-
24 tion) shall apply only with respect to questions presented on
25 or after the date of the enactment of this Act.

1 (c) Any article which is entered or withdrawn from
2 warehouse free of duty as a result of action taken under
3 title VI of this Act shall be considered a nondutiable article
4 for purposes of section 303 of the Tariff Act of 1930, as
5 amended (19 U.S.C. 1303).

6 CHAPTER 4—UNFAIR PRACTICES IN IMPORT TRADE

7 SEC. 350. AMENDMENTS TO SECTION 337 OF THE
8 TARIFF ACT.—Section 337 of the Tariff Act of 1930, as
9 amended (19 U.S.C. 1337) is hereby amended to read as
10 follows:

11 “(a) The importation of articles into the United States
12 which would infringe a United States patent if made, used,
13 or sold in the United States, shall constitute an unfair meth-
14 od of competition, and is hereby declared unlawful, and
15 when found by the Commission to exist shall be dealt
16 with, in addition to any other provisions of law, as here-
17 inafter provided.

18 “(b) The Commission shall investigate alleged vio-
19 lations hereof on complaint under oath or upon its own
20 motion. The burden of proof of any such alleged violation
21 shall be on the complainant, or on the Commission if it in-
22 vestigates on its own motion, to make a prima facie show-
23 ing of the facts required in subsection (a). The Commis-
24 sion shall complete its investigation and announce its find-
25 ings hereunder at the earliest practicable time, but not later

1 than one year after the date on which a complaint is re-
2 ceived or an investigation is initiated by the Commission on
3 its own motion.

4 “(c) Whenever the Commission shall find the existence
5 of any such violation it shall order that the articles con-
6 cerned in such unfair methods, imported by any person vio-
7 lating the provisions of this section, shall be excluded from
8 entry into the United States, and upon information of such
9 action by the Commission, the Secretary of the Treasury
10 shall, through the proper officers, refuse such entry; *Provided*
11 *however*, That whenever—

12 (1) the validity of the patent is challenged by the
13 respondent and a bona fide challenge to patent validity
14 is either pending in a suit or the respondent indicates
15 his intention to and in fact institutes such a suit within
16 sixty days of such a challenge to validity before the
17 Commission, or

18 (2) misuse is claimed by a respondent and a bona
19 fide claim of misuse is pending in a court action and
20 the court’s decision on that issue would be decisive of
21 the claim before the Commission,

22 the Commission shall continue the proceedings on all other
23 issues, and if it finds favorably to the patentee thereon,
24 issue an exclusion order conditional on the results of the
25 court proceedings, and in the meantime shall order that the

1. articles concerned be allowed entry into the United States
2. under such bond, in favor of the patentee based on an esti-
3. mated reasonable royalty or damages, or both, as it shall
4. consider necessary to protect the patentee's asserted rights.

5. “(d) Any refusal of entry under this section shall con-
6. tinue until the patent expires or until the Commission, either
7. on its own motion or at the request of any interested person,
8. shall find that the continued exclusion is no longer necessary
9. to prevent the violation that occasioned the exclusion order.

10. “(e) Whenever the Commission has reason to believe
11. that any article is offered or sought to be offered for entry
12. into the United States in violation of this section, but has
13. not information sufficient to satisfy it thereof, the Commission
14. may in its discretion issue a temporary exclusion order if
15. a prime facie showing of a violation of this section has been
16. made and immediate and substantial harm to the patentee
17. involved would result if the temporary exclusion order were
18. not issued. Where a temporary exclusion order is issued, the
19. Secretary of the Treasury shall refuse entry of the articles so
20. excluded by the temporary exclusion order, except that such
21. articles shall be entitled to entry under bond in favor of the
22. patentee based on an estimated reasonable royalty or dam-
23. ages, or both, as the Commission shall consider necessary
24. to protect the patentee's asserted rights. No temporary ex-
25. clusion order or the posting of a bond under this subsection

1 shall remain in effect for more than one year after the date
2 on which a complaint is received or an investigation is ini-
3 tiated by the Commission on its own motion.

4 “(f) During the course of each investigation under this
5 section, public hearings shall be held, after reasonable notice,
6 pertaining to, and in advance of, the Commission’s deter-
7 mination. A transcript shall be made of all testimony and
8 exhibits presented at such hearing.

9 “(g) Any person adversely affected by an action or re-
10 fusals of the Commission to act under this section may secure
11 judicial review in the United States Court of Customs and
12 Patent Appeals in the manner prescribed in chapter 7 of title
13 5 and section 2112 of title 28 of the United States Code.
14 Any refusal of entry under this section may be stayed by
15 the court in which case adequate bond shall be provided to
16 protect the patentee’s rights. For this purpose, the Court of
17 Customs and Patent Appeals may order the Secretary of
18 the Treasury to impose such bond, in favor of the patentee,
19 based on an estimated reasonable royalty or damages, or
20 both, as it considers necessary to protect the rights of the
21 patentee pending determination of the appeal.

22 “(h) When used in this section and in sections 338 and
23 340, the term ‘United States’ includes the several States
24 and territories, the District of Columbia, and all possessions

1 of the United States except the Virgin Islands, American
2 Samoa, and the Island of Guam.”

3 TITLE IV—INTERNATIONAL TRADE POLICY
4 MANAGEMENT

5 SEC. 401. BALANCE-OF-PAYMENTS AUTHORITY.—

6 (a) Whenever the President determines that special import
7 measures are required to deal with the United States balance-
8 of-payments pension in the presence of a serious balance-
9 of-payments deficit or a persistent surplus, or to cooperate
10 in correcting an international balance-of-payments disequi-
11 librium as reflected in other countries’ balance-of-payments
12 deficits or surpluses, the President is authorized to take one
13 or more of the following actions, for such period as he deems
14 necessary:

15 (1) For dealing with a serious United States
16 balance-of-payments deficit, or for cooperating in cor-
17 recting an international balance-of-payments disequi-
18 librium—

19 (A) to impose a temporary import surcharge
20 in the form of duties (in addition to those already
21 imposed, if any) on articles imported into the United
22 States; and

23 (B) to impose temporary limitations, through
24 the use of quotas on the importation of articles into

1 the United States: *Provided*, That international
 2 trade or monetary agreements to which the United
 3 States is a party permit the imposition of quotas
 4 as a balance-of-payments measure.

5 (2) For dealing with a persistent United States
 6 balance-of-payments surplus:

7 (A) to reduce temporarily or suspend the duty
 8 applicable to any article; and

9 (B) to increase temporarily the value or quan-
 10 tity of articles which may be imported under any
 11 import restriction, or to suspend temporarily any
 12 import restriction;

13 except with respect to those articles where in his judg-
 14 ment such action would cause or contribute to material
 15 injury to firms or workers in any domestic industry,
 16 including agriculture, mining, fishing, or commerce, to
 17 impairment of the national security, or otherwise be
 18 contrary to the national interest.

19 (b) For the purposes of subsection (a),

20 (1) a serious balance-of-payments deficit shall be
 21 considered to exist whenever the President determines
 22 that—

23 (A) the balance of payments (as measured
 24 either on the official reserve transactions basis
 25 or by the balance on current account and long-term

1 capital) has been in substantial deficit over a period
2 of four consecutive calendar quarters, or

3 (B) the United States has suffered a serious
4 decline in its net international monetary reserve
5 position, or

6 (C) there has been or threatens to be a signifi-
7 cant alteration in the exchange value of the dollar
8 in foreign exchange markets, and

9 (D) the condition indicated in (A), (B), or
10 (C) is expected to continue in the absence of cor-
11 rective measures.

12 (2) United States cooperation in correcting a fun-
13 damental international balance-of-payments disequilib-
14 rium as reflected in other countries' payments positions is
15 authorized when allowed or recommended by the In-
16 ternational Monetary Fund.

17 (3) A persistent balance-of-payments surplus shall
18 be considered to exist whenever the President deter-
19 mines that—

20 (A) the balance of payments (as measured
21 either on the official reserve transactions basis or
22 by the balance on current account and long-term
23 capital) has been in substantial surplus for four
24 consecutive calendar quarters; or

25 (B) the United States has experienced large

1 increases in its international monetary reserves in
2 excess of needed levels of reserves; or

3 (C) the exchange value of the dollar has appre-
4 ciated significantly in foreign exchange markets; and

5 (D) the condition indicated in (A), (B), or (C)
6 is expected to continue in the absence of corrective
7 measures.

8 (c) Import restricting actions authorized by this sec-
9 tion shall be applied consistently with the most-favored-na-
10 tion principle or on a basis which shall aim at a distribution
11 of trade with the United States approaching as closely as
12 possible that which various foreign countries might have
13 expected to obtain in the absence of such restrictions, unless
14 the President determines that import restricting actions not
15 consistent with these principles are necessary to achieve the
16 objectives of this section. In determining what action to take
17 under this subsection the President shall consider the relation-
18 ship of such action to the international obligations of the
19 United States.

20 (d) Import restricting actions authorized by this section
21 shall be of broad and uniform application with respect to
22 product coverage except where the President determines,
23 consistently with the purposes of this section, that certain
24 articles or groups of articles should not be subject to import
25 restricting actions because of the needs of the United States

1 economy. Such exceptions shall be related to the unavail-
2 ability of domestic supply at reasonable prices, the necessary
3 importation of raw materials, and other similar factors.
4 Neither the authorization of import restricting actions nor
5 the determination of exceptions with respect to product
6 coverage shall be made for the purpose of protecting in-
7 dividual domestic industries from import competition.

8 (e) Any limitation imposed under subsection (a) (1)
9 (B) on the quantity or value, or both, of an article or group
10 of articles—

11 (1) shall permit the importation of a quantity or
12 value not less than the quantity or value of such article
13 or articles imported into the United States from the for-
14 eign countries to which such limitation applies during the
15 most recent period that the President determines is repre-
16 sentative of imports of such article or articles, and

17 (2) shall take into account any increase since the
18 end of such representative period in domestic consump-
19 tion of such article or articles and like or similar articles
20 of domestic manufacture or production.

21 (f) Measures under subsection (a) (2) of this section
22 shall be applied consistently with section 407 of this Act.

23 (g) The President may at any time, consistent with the
24 provisions of this section, suspend, modify, or terminate, in
25 whole or in part, any action taken under this section.

1 SEC. 402. WITHDRAWAL OF CONCESSIONS AND SIM-
2 ILAR ADJUSTMENTS.—(a) Whenever the United States,
3 acting in pursuance of any of its rights or obligations under
4 any trade agreement entered into pursuant to this Act, the
5 Trade Expansion Act of 1962, or the Tariff Act of 1930,
6 as amended, withdraws or suspends any obligation with re-
7 spect to the trade of any foreign country or instrumentality
8 thereof, or, whenever any such trade agreement is termi-
9 nated, in whole or in part, with respect to the United States,
10 the President is authorized, in order to exercise the rights
11 or fulfill the obligations of the United States, to the extent,
12 at such times, and for such periods as he deems necessary
13 or appropriate, and consistently with the purposes of this
14 Act and the international obligations of the United States—

15 (1) to increase any existing duty or other import
16 restriction or provide additional import restrictions; and

17 (2) to take other actions to withdraw, suspend, or
18 terminate the application, in whole or in part, of the
19 agreement.

20 (b) Duties or other import restrictions required or ap-
21 propriate to carry out any trade agreement shall not be
22 affected by any withdrawal or suspension of an obligation
23 under, or termination in whole or in part of, such agreement
24 unless the President acting pursuant to the authority granted

1 in subsection (a) increases such existing duties or other
2 import restrictions, or provides additional import restrictions.

3 (c) No rate of duty shall be increased under the au-
4 thority of this section to a rate more than 50 per centum
5 above the column 2 rate, or 50 per centum ad valorem (or
6 ad valorem equivalent), whichever is higher.

7 (d) The President may, to the extent that such action
8 is consistent with the international obligations of the United
9 States, act pursuant to this section on a most-favored-nation
10 basis or otherwise.

11 SEC. 403. RENEGOTIATION OF DUTIES.—(a) In order
12 to permit some adjustments to be made over time to deal
13 with changed circumstances, while maintaining an overall
14 balance of mutually advantageous concessions under exist-
15 ing trade agreements, the President is authorized at any
16 time to enter into supplemental tariff agreements with for-
17 eign countries or instrumentalities thereof to modify or con-
18 tinue any existing duty, continue any existing duty-free or
19 excise treatment, or impose additional duties, as he deter-
20 mines to be required or appropriate to carry out any such
21 supplemental tariff agreement, within the limitations set
22 forth in this section.

23 (b) In any one year, agreements involving the re-
24 duction of duties, or continuance of duty-free treatment,
25 shall not affect articles accounting for more than 2 per-

1 centum of the value of United States imports for the most re-
2 cent 12-month period for which import statistics are avail-
3 able, nor shall any agreement be made under the authority
4 of this section with respect to any article which has been
5 the subject of a prior agreement entered into pursuant to
6 this section during the preceding five years.

7 (c) (1) No rate of duty shall be decreased under the
8 authority of this section to a rate more than 20 per centum
9 below the existing duty.

10 (2) No rate of duty shall be increased under the author-
11 ity of this section to a rate more than 50 per centum above
12 the column 2 rate or 50 per centum ad valorem (or ad
13 valorem equivalent), whichever is higher.

14 SEC. 404. COMPENSATION AUTHORITY.—(a) Whenever
15 any action has been taken under section 203, 301, 402,
16 403, or 408 of this Act to increase or impose any duty or
17 other import restriction, the President—

18 (1) shall, to the extent required by United States
19 international obligations, afford foreign countries having
20 an interest as exporters of the products concerned an op-
21 portunity to consult with the United States with respect
22 to concessions, if any, to be granted as compensation for
23 any duty or other import restriction imposed by the
24 United States; and

25 (2) may enter into agreements with such countries

1 for the purpose of granting new concessions as compen-
 2 sation in order to maintain the general level of reciprocal
 3 and mutually advantageous concessions.

4 (b) In furtherance of the purposes of this section, the
 5 President may modify or continue any existing duty or other
 6 import restriction, or continue any existing duty-free or excise
 7 treatment, to the extent that he determines such action to be
 8 required or appropriate to maintain a general level of mutual-
 9 ly advantageous concessions.

10 (c) No rate of duty shall be reduced under the authority
 11 of this section to a rate below 50 per centum of the existing
 12 duty, provided that this limitation shall not apply if the rate
 13 existing on such date is not more than 5 per centum ad va-
 14 lorem (or ad valorem equivalent).

15 SEC. 405. AUTHORITY TO SUSPEND IMPORT BARRIERS
 16 TO RESTRAIN INFLATION.—(a) If, during a period of sus-
 17 tained or rapid price increases, the President determines that
 18 supplies of articles, imports of which are dutiable or subject
 19 to any other import restriction, are inadequate to meet do-
 20 mestic demand at reasonable prices, he may, either generally
 21 or by article or category of articles, in addition to any author-
 22 ity he may otherwise have—

23 (1) temporarily reduce or suspend the duty appli-
 24 cable to any article; and

25 (2) temporarily increase the value or quantity of

1 articles which may be imported under any import
2 restriction.

3 (b) The President shall not exercise the authority
4 granted in subsection (a) with respect to an article if in his
5 judgment such action would cause or contribute to material
6 injury to firms or workers in any domestic industry, includ-
7 ing agriculture, mining, fishing, or commerce, to impairment
8 of the national security, or otherwise be contrary to the
9 national interest. Actions taken under subsection (a) in
10 effect at any time shall not apply to more than 30 per centum
11 of the estimated total value of United States imports of all
12 articles during the time such actions are in effect.

13 (c) The President may, to the extent that such action
14 is consistent with the purposes of this section and the limita-
15 tions contained herein, modify or terminate, in whole or in
16 part, any action taken under subsection (a).

17 (d) The President shall within thirty days of taking
18 any action under this section notify each House of Congress
19 of the nature of his action and the reasons therefor.

20 (e) No action taken under this section shall remain in
21 effect for more than one year unless specifically authorized
22 by law.

23 SEC. 406. RESERVATION OF ARTICLES FOR NATIONAL
24 SECURITY OR OTHER REASONS.—(a) No action shall be
25 taken pursuant to the provisions of this Act to reduce or

1 eliminate the duty or other import restriction on any article
2 if the President determines that such reduction or elimina-
3 tion would threaten to impair the national security.

4 (b) While there is in effect with respect to any article
5 any action taken under section 203 of this Act, or section
6 232 or 351 of the Trade Expansion Act of 1962 (19 U.S.C.
7 1862, 1981), the President shall reserve such article from
8 negotiations or actions contemplating reduction or elimina-
9 tion of any duty or other import restriction with respect to
10 such article, under title I or section 403, 404, or 405 of this
11 Act. In addition, the President shall also so reserve any other
12 article which he determines to be appropriate, taking into
13 consideration information and advice available pursuant to
14 and with respect to the matters covered by sections 111 (b),
15 112, and 113 (b), where applicable.

16 SEC. 407. ~~MOST-FAVORED-NATION~~ PRINCIPLE.—Ex-
17 cept as otherwise provided pursuant to this Act or any other
18 Act any duty or other import restriction or duty-free treat-
19 ment applied in carrying out any action or any trade agree-
20 ment under this Act, under title II of the Trade Expansion
21 Act of 1962 or under section 350 of the Tariff Act of 1930,
22 as amended, shall apply to products of all foreign countries,
23 whether imported directly or indirectly.

24 SEC. 408. AUTHORITY TO TERMINATE ACTIONS.—The
25 President may at any time terminate, in whole or in part,

1 any actions taken to implement trade agreements under this
2 Act, title II of the Trade Expansion Act of 1962, or section
3 350 of the Tariff Act of 1930, as amended.

4 SEC. 409. PERIOD OF TRADE AGREEMENTS.—Every
5 trade agreement entered into under titles I and IV of this
6 Act shall be subject to termination or withdrawal, upon due
7 notice, at the end of a period specified in the agreement.
8 Such period shall be not more than three years from the date
9 on which the agreement becomes effective for the United
10 States. If the agreement is not terminated or withdrawn from
11 at the end of the period so specified, it shall be subject to
12 termination or withdrawal thereafter upon not more than
13 six months' notice.

14 SEC. 410. PUBLIC HEARINGS IN CONNECTION WITH
15 AGREEMENTS UNDER TITLE IV.—The President shall pro-
16 vide for a public hearing during the course of which in-
17 terested persons shall be given a reasonable opportunity to
18 be present, to produce evidence, and to be heard—

19 (1) Prior to the conclusion of any agreement or
20 modification of any duty or other import restrictions
21 pursuant to section 403 or section 404 of this title;

22 (2) Pursuant to a request made by any interested
23 person within ninety days after the President's taking
24 any action under section 402 or 408, on the subject of
25 any such action.

1 SEC. 411. AUTHORIZATION FOR GATT APPROPRIA-
2 TIONS.—There are hereby authorized to be appropriated
3 annually such sums as may be necessary for the payment
4 by the United States of its share of the expenses of the
5 Contracting Parties to the General Agreement on Tariffs
6 and Trade.

7 TITLE B—TRADE RELATIONS WITH COUNTRIES
8 NOT ENJOYING MOST-FAVORED-NATION
9 TARIFF TREATMENT

10 SEC. 501. EXCEPTION OF THE PRODUCTS OF CERTAIN
11 COUNTRIES OR AREAS.—(a) Except as otherwise provided
12 in this title, the President shall continue to deny most-
13 favored-nation treatment to the products of any country or
14 area, the products of which were not eligible for column 1
15 tariff treatment on the date of enactment of this Act.

16 (b) The President is authorized to deny such most-
17 favored-nation treatment to all of the products of any country
18 or area if in his judgment such action is necessary for reasons
19 of national security.

20 SEC. 502. AUTHORITY TO ENTER INTO COMMERCIAL
21 AGREEMENTS.—(a) Subject to the provisions of subsections
22 (b) and (c) of this section, the President may authorize the
23 entry into force of bilateral commercial agreements provid-
24 ing most-favored-nation treatment to the products of coun-
25 tries heretofore denied such treatment whenever he deter-

1 mines that such agreements with such countries will promote
2 the purposes of this Act and are in the national interest.

3 (b) Any such bilateral commercial agreement shall—

4 (1) be limited to an initial period specified in the
5 agreement which shall be no more than three years from
6 the time the agreement enters into force, except that it
7 may be renewable for additional periods, each not to ex-
8 ceed three years: *Provided*, That a satisfactory balance of
9 trade concessions has been maintained during the life of
10 each agreement: *And provided further*, That the Presi-
11 dent determines that actual or foreseeable reductions in
12 United States tariffs and nontariffs barriers to trade re-
13 sulting from multilateral negotiations are satisfactorily
14 reciprocated by the other party to a bilateral commercial
15 agreement with the United States;

16 (2) provide that it is subject to suspension or ter-
17 mination at any time for national security reasons, or
18 that the other provisions of such agreement shall not
19 limit the rights of any party to take any action for the
20 protection of its security interests; and

21 (3) provide for consultations for the purpose of
22 reviewing the operation of the agreement and relevant
23 aspects of relations between the United States and the
24 other party.

25 (c) (1) An agreement referred to in subsection (a) or

1 an order referred to in section 504 (a) shall take effect only
2 after the expiration of ninety days from the date on which
3 the President delivers a copy of such agreement or order to
4 the Senate and to the House of Representatives, if between
5 the date of delivery of the agreement or order to the Senate
6 and to the House of Representatives and the expiration of
7 the ninety-day period neither the Senate nor the House of
8 Representatives has adopted a resolution, by an affirmative
9 vote by the yeas and nays of a majority of the authorized
10 membership of that House, stating that it disapproves of the
11 agreement or order.

12 (2) For purposes of this subsection, there shall be ex-
13 cluded from the computation of the ninety-day period the
14 days on which either House is not in session because of an
15 adjournment of more than three days to a day certain or an
16 adjournment of Congress sine die. The agreement referred
17 to in subsection (a) or order referred to in section 504 (a)
18 shall be delivered to both Houses of the Congress on the same
19 day and shall be delivered to the Clerk of the House of
20 Representatives if the House of Representatives is not in
21 session and to the Secretary of the Senate if the Senate is
22 not in session.

23 SEC. 503. ADDITIONAL PROVISIONS.—(a) Bilateral
24 commercial agreements under this title may in addition in-
25 clude provisions concerning—

(1) safeguard arrangements necessary to prevent disruption of domestic markets;

(2) arrangements for the protection of industrial rights and processes, trademarks, and copyrights;

(3) arrangements for the settlement of commercial differences and disputes;

(4) arrangements for the promotion of trade including those for the establishment or expansion of trade and tourist promotion offices, for facilitation of activities of governmental commercial officers, participation in trade fairs and exhibits and the sending of trade missions, and for facilitation of entry, establishment, and travel of commercial representatives; and

(5) such other arrangements of a commercial nature as will promote the purposes of this Act.

(b) Nothing in this section shall be deemed to affect domestic law.

SEC. 504. EXTENSION OF MOST-FAVORED-NATION

TREATMENT.—(a) The President may extend most-favored-

nation treatment to the products of a foreign country which

(1) has entered into a bilateral commercial agreement and

such agreement has entered into force pursuant to section

502, or (2) has become a party to an appropriate multi-

lateral trade agreement to which the United States is also a

party, and the President has issued an order extending such

1 treatment, which order has taken effect pursuant to section
2 502 (c).

3 (b) The application of most-favored-nation treatment
4 shall be limited to the period of effectiveness of the obliga-
5 tions of the United States to such country under such bi-
6 lateral commercial agreement or multilateral agreement.

7 (c) The President may at any time suspend or withdraw
8 any extension of most-favored-nation treatment to any coun-
9 try pursuant to subsection (a), and thereby cause all prod-
10 ucts of such country to be dutiable at the column 2 rate.

11 SEC. 505. MARKET DISRUPTION.—(a) A petition may
12 be filed or a Tariff Commission investigation otherwise ini-
13 tiated under section 201 of this Act in respect to imports
14 of an article manufactured or produced in a country, the
15 products of which are receiving most-favored-nation treat-
16 ment pursuant to this title, in which case the Tariff Com-
17 mission shall determine (in lieu of the determination de-
18 scribed in section 201 (b) of this Act) whether imports of
19 such article produced in such country are causing or are
20 likely to cause material injury to a domestic industry pro-
21 ducing like or directly competitive articles, and whether a
22 condition of market disruption (within the meaning of
23 section 201 (f) (2) of this Act) exists with respect to such
24 imports.

25 (b) For the purposes of sections 202 and 203 of this

1 Act, an affirmative determination of the Tariff Commission
2 pursuant to subsection (a) of this section shall be treated
3 as an affirmative determination of the Tariff Commission
4 pursuant to section 201 (b) of this Act: *Provided, however,*
5 That the President, in taking action pursuant to section
6 203 (a) (1) of this Act, may adjust imports of the article
7 from the country in question without taking action in
8 respect of imports from other countries.

9 SEC. 506. EFFECTS ON OTHER LAWS.—The President
10 shall from time to time reflect in general headnote 3 (e) of the
11 Tariff Schedules of the United States the provisions of this
12 title and actions taken hereunder, as appropriate.

13 TITLE VI—GENERALIZED SYSTEM OF
14 PREFERENCES

15 SEC. 601. PURPOSES.—The purpose of this title is to pro-
16 mote the general welfare, foreign policy and security of the
17 United States by enabling the United States to participate
18 with other developed countries in granting generalized tariff
19 preferences to exports of manufactured and semimanufactured
20 products and of selected other products from developing coun-
21 tries. The Congress finds that the welfare and security of the
22 United States are enhanced by efforts to further the economic
23 development of the developing countries, and that such devel-
24 opment may be assisted by providing increased access to

1 markets in the developed countries, including the United
2 States, for exports from developing countries.

3 SEC. 602. AUTHORITY TO EXTEND PREFERENCES.—

4 Notwithstanding the provisions of section 407 of this Act,
5 the President may designate any article as an eligible article,
6 may provide duty-free treatment for any eligible article from
7 any beneficiary developing country designated under section
8 604, and may modify or supplement any such action consist-
9 ent with the provisions of this title. In taking any such ac-
10 tion, the President shall have due regard for—

11 (1) the purpose of this title;

12 (2) the anticipated impact of such action on United
13 States producers of like or directly competitive products;
14 and

15 (3) the extent to which other major developed
16 countries are undertaking a comparable effort to assist
17 beneficiary developing countries by granting prefer-
18 ences with respect to imports of products of such coun-
19 tries.

20 SEC. 603. ELIGIBLE ARTICLES.—(a) In connection
21 with any proposed action under section 602, the President
22 shall from time to time publish and furnish the Tariff Com-
23 mission with lists of articles which may be considered for
24 designation as eligible articles. Prior to the taking of actions
25 under section 602 providing duty-free treatment for any

1 article, the provisions of sections 111 through 114 of this
2 Act shall be complied with as though such actions were
3 actions under section 101 of this Act to carry out a trade
4 agreement entered into thereunder.

5 (b) Preferential treatment provided under section 602
6 shall apply only to eligible articles which are imported
7 directly from a beneficiary developing country into the
8 customs territory of the United States: *Provided*, That the
9 sum of the cost or value of materials produced in the bene-
10 ficiary developing country plus the direct costs of processing
11 operations performed in the beneficiary developing country
12 shall equal or exceed that percentage of the appraised value
13 of the article at the time of its entry into the customs
14 territory of the United States that the Secretary of the
15 Treasury shall by regulation prescribe. Such percentage,
16 which may be modified from time to time, shall apply
17 uniformly to all articles from all beneficiary developing
18 countries. For the purposes of this subsection, the Secre-
19 tary shall also determine what constitutes direct costs and
20 shall prescribe rules governing direct importation.

21 (c) No action shall be taken under section 602 desig-
22 nating as an eligible article any article the importation of
23 which is the subject of any action pursuant to section 203
24 of this Act, section 351 of the Trade Expansion Act of 1962,
25 section 22 of the Agricultural Adjustment Act, section 202

1 of the Sugar Act of 1947, or the Act of August 22, 1964
2 (78 Stat. 594), or any agreement concluded pursuant to sec-
3 tion 204 of the Agricultural Act of 1956, or any action by
4 the President pursuant to section 232 of the Trade Expan-
5 sion Act. Upon the effective date of any action pursuant to
6 section 203 of this Act, section 22 of the Agricultural Ad-
7 justment Act, section 202 of the Sugar Act of 1947, or the
8 Act of August 22, 1964 (78 Stat. 594), or any agreement
9 concluded pursuant to section 204 of the Agricultural Act
10 of 1956, or any action by the President pursuant to sec-
11 tion 232 of the Trade Expansion Act, with respect to any
12 article then designated an eligible article, such article shall
13 cease to be an eligible article. When the actions or agree-
14 ments described in the foregoing sentence cease to apply to
15 an article, the President may again designate such article as
16 an eligible article pursuant to the provisions of this section.

17 (d) After receiving an affirmative finding of the Tariff
18 Commission under section 201 of this Act in respect to an
19 eligible article, the President may, in lieu of the actions per-
20 mitted under section 203 of this Act terminate the status
21 of such article as an eligible article.

22 SEC. 604. BENEFICIARY DEVELOPING COUNTRY.—(a)
23 Subject to the provisions of subsection (b), the President may
24 designate any country a beneficiary developing country,
25 taking into account—

1 (1) the purpose of this title;

2 (2) any expression by such country of its desire
3 to be so designated;

4 (3) the level of economic development of such coun-
5 try, including its per capita gross national product, the
6 living standards of its inhabitants, and any other eco-
7 nomic factors which he deems appropriate;

8 (4) whether or not the other major developed
9 countries are extending generalized preferential tariff
10 treatment to such country; and

11 (5) whether or not such country has nationalized,
12 expropriated, or seized ownership or control of property
13 owned by a United States citizen, or any corporation,
14 partnership, or association not less than 50 per centum
15 beneficially owned by citizens of the United States with-
16 out provision for the payment of prompt, adequate, and
17 effective compensation.

18 (b) The President shall not designate any country a
19 beneficiary developing country—

20 (1) the products of which are not receiving most-
21 favored-nation treatment by reason of general head-
22 note 3 (e) to the Tariff Schedules of the United States;
23 or

24 (2) which accords preferential treatment to the
25 products of a developed country other than the United

1 States, unless the President has received assurances satis-
2 factory to him that such preferential treatment will be
3 eliminated before January 1, 1976.

4 SEC. 605. LIMITATIONS ON PREFERENTIAL TREAT-
5 MENT.—(a) The President may modify, withdraw, suspend,
6 or limit the application of the preferential treatment accorded
7 under section 602 with respect to any article or with respect
8 to any country: *Provided*, That no rate of duty shall be
9 established in respect of any article pursuant to this section
10 other than the rate which would apply in the absence of
11 this title. In taking any such action, the President shall con-
12 sider the factors set forth in sections 602 and 604 (a) of this
13 title.

14 (b) The President shall withdraw or suspend the desig-
15 nation of a country as a beneficiary developing country if,
16 subsequent to such designation—

17 (1) the products of such country are excluded from
18 the benefit of most-favored-nation treatment by reason
19 of general headnote 3 (e) to the Tariff Schedules of the
20 United States; or

21 (2) he determines that such country has not elim-
22 inated or will not eliminate preferential treatment ac-
23 corded by it to the products of a developed country other
24 than the United States before January 1, 1976.

1 (c) Whenever the President determines that a country
2 has supplied 50 per centum by value of the total imports of
3 an eligible article into the United States, or has supplied a
4 quantity of such article to the United States having a value
5 of more than \$25,000,000, on an annual basis over a rep-
6 resentative period, that country shall not be considered a
7 beneficiary developing country in respect of such article,
8 unless the President determines that it is in the national
9 interest to designate, or to continue the designation of such
10 country as a beneficiary developing country in respect of
11 such article.

12 (d) No action pursuant to this title may affect any
13 tariff duty imposed by the Legislature of Puerto Rico pur-
14 suant to section 319 of the Tariff Act of 1930, as amended
15 (46 Stat. 696), upon coffee imported into Puerto Rico.

16 SEC. 606. DEFINITIONS.—For the purposes of this
17 title:

18 (1) The term “country” shall mean any country, de-
19 pendent territory (including an insular possession or trust
20 territory of the United States), area, or association of
21 countries.

22 (2) The term “developed country” shall mean any
23 country determined by the President to enjoy a high level
24 of economic development relative of the countries of the

1 world taken as a whole, taking into account its per capita
2 gross national product, the living standards of its inhabitants,
3 and any other economic factors which he deems appropriate.

4 (3) The term “major developed country” shall mean
5 any developed country which is a member of the Organization
6 for Economic Cooperation and Development and which is
7 determined by the President to account for a significant
8 percentage of world trade.

9 SEC. 607. EFFECTIVE PERIOD OF PREFERENCES.—No
10 preferential treatment under this title shall remain in effect
11 for a period in excess of ten years after the effective date
12 of the grant of such preferential treatment or after Decem-
13 ber 31, 1984, whichever is the earlier.

14 TITLE VII—GENERAL PROVISIONS

15 SEC. 701. AUTHORITIES.—(a) The President may
16 delegate the power, authority, and discretion conferred upon
17 him by this Act to the heads of such agencies as he may
18 deem appropriate.

19 (b) The head of any agency performing functions under
20 this Act may—

21 (1) authorize the head of any other agency to
22 perform any of such functions;

23 (2) prescribe such rules and regulations as may be
24 necessary to perform such functions; and

25 (3) to the extent necessary to perform such func-

1 tions, procure the temporary (not in excess of one year)
2 or intermittent services of experts or consultants or or-
3 ganizations thereof, including stenographic reporting
4 services, by contract or appointment, and in such cases
5 such services shall be without regard to the civil service
6 and classification laws, and, except in the case of steno-
7 graphic reporting services by organizations, without re-
8 gard to section 3709 of the Revised Statutes (41
9 U.S.C. 5) .

10 SEC. 702. REPORTS.—(a) The President shall submit to
11 the Congress an annual report on the trade agreements pro-
12 gram and on import relief and adjustment assistance for
13 workers under this Act. Such report shall include information
14 regarding new negotiations; changes made in duties and non-
15 tariff barriers and other distortions of trade of the United
16 States; reciprocal concessions obtained; changes in trade
17 agreements (including the incorporation therein of actions
18 taken for import relief and compensation provided therefor);
19 extension or withdrawal of most-favored-nation treatment by
20 the United States with respect to the products of a foreign
21 country; extension, modification, withdrawal, suspension, or
22 limitation of preferential treatment to exports of developing
23 countries; the results of action taken to obtain removal of
24 foreign trade restrictions (including discriminatory restric-
25 tions) against United States exports; and the measures being

1 taken to seek the removal of other significant foreign import
2 restrictions; other information relating to the trade agree-
3 ments program and to the agreements entered into there-
4 under, and information relating to the provision of adjustment
5 assistance for workers dislocated due to imports.

6 (b) The Tariff Commission shall submit to the Con-
7 gress, at least once a year, a factual report on the operation
8 of the trade agreements program.

9 SEC. 703. TARIFF COMMISSION.—(a) In order to ex-
10 pedite the performance of its functions under this Act, the
11 Tariff Commission may conduct preliminary investigations,
12 determine the scope and manner of its proceedings, and con-
13 solidate proceedings before it.

14 (b) In performing its functions under this Act, the
15 Tariff Commission may exercise any authority granted to it
16 under any other Act.

17 (c) The Tariff Commission shall at all times keep in-
18 formed concerning the operation and effect of provisions
19 relating to duties or other import restrictions of the United
20 States contained in trade agreements entered into under the
21 trade agreements program.

22 SEC. 704. SEPARABILITY.—If any provision of this Act
23 or the application of any provision to any circumstances or
24 persons shall be held invalid, the validity of the remainder

1 of this Act, and of the application of such provision to other
2 circumstances or persons, shall not be affected thereby.

3 SEC. 705. DEFINITIONS.—For the purposes of this Act:

4 (1) The term “agency” includes any United States
5 agency, department, board, instrumentality, commission, or
6 establishment, or any corporation wholly or partly owned
7 by the United States.

8 (2) The term “duty” includes the rate and form of any
9 import duty, including but not limited to tariff-rate quotas.

10 (3) The term “other import restriction” includes a
11 limitation, prohibition, charge, and exaction other than
12 duty, imposed on importation or imposed for the regulation
13 of imports.

14 (4) The term “firm” includes an individual pro-
15 prietorship, partnership, joint venture, association, corpora-
16 tion (including a development corporation), business trust,
17 cooperative, trustees in bankruptcy, and receivers under
18 decree of any court.

19 (5) An imported article is “directly competitive with”
20 a domestic article at an earlier or later stage of processing,
21 and a domestic article is “directly competitive with” an
22 imported article at an earlier or later stage of processing,
23 if the importation of the imported article has an economic
24 effect on producers of the domestic article comparable to the

1 effect of importation of articles in the same stage of proc-
2 essing as the domestic article. For purposes of this para-
3 graph, the unprocessed article is at an earlier stage of
4 processing.

5 (6) A product of a country or area is an article which
6 is the growth, produce, or manufacture of such country or
7 area.

8 (7) The term “modification”, as applied to any duty
9 or other import restriction, includes the elimination of any
10 duty or other import restriction.

11 (8) The term “existing” without the specification of any
12 date, when used with respect to any matter relating to enter-
13 ing into or carrying out a trade agreement or other action
14 authorized by this Act, means existing on the day on which
15 such trade agreement is entered into or such other action is
16 taken, and, when referring to a rate of duty, refers to the
17 nonpreferential rate of duty (however established, and even
18 though temporarily suspended by Act of Congress or other-
19 wise) existing in column 1 of the Tariff Schedules of the
20 United States on such day.

21 (9) The term “ad valorem equivalent” means the ad
22 valorem equivalent of a specific rate or, in the case of a com-
23 bination of rates including a specific rate, the sum of the ad
24 valorem equivalent of the specific rate and of the ad valorem
25 rate. The ad valorem equivalent shall be determined by the

1 President on the basis of the value of imports of the article
2 concerned during a period determined by him to be repre-
3 sentative. In determining the value of imports, the President
4 shall utilize, to the maximum extent practicable, the stand-
5 ards of valuation contained in section 402 or 402a of the
6 Tariff Act of 1930 (19 U.S.C., sec. 1401a or 1402) appli-
7 cable to the article concerned during such representative
8 period.

9 SEC. 706. RELATION TO OTHER LAWS.—(a) The sec-
10 ond and third sentences of section 2 (a) of the Act entitled
11 “An Act to amend the Tariff Act of 1930,” approved
12 June 12, 1934, as amended (19 U.S.C. 1352 (a)), are each
13 amended by striking out “this Act or the Trade Expansion
14 Act of 1962” and inserting in lieu thereof “this Act or the
15 Trade Expansion Act of 1962 or the Trade Reform Act
16 of 1973.”

17 (b) Action taken or considered to have been taken
18 by the President under section 231 of the Trade Expansion
19 Act of 1962 and in effect on the date of the enactment of
20 this Act shall be considered as having been taken by the
21 President under section 501 (a) .

22 (c) Section 242 of the Trade Expansion Act of 1962 is
23 amended as follows:

24 (1) by striking out “351 and 352” in subsection

1 (a) and inserting in lieu thereof “201, 202, and 203 of
2 the Trade Reform Act of 1973”;

3 (2) by striking out “with respect to tariff adjust-
4 ment” in subsection (b) (2) ;

5 (3) by striking out “301 (e)” in subsection (b)
6 (2) and inserting in lieu thereof “201 (d) of the Trade
7 Reform Act of 1973”; and

8 (4) by striking out “section 252 (d)” each place
9 it appears and inserting in lieu thereof “subsection 301
10 (c) of the Trade Reform Act of 1973”.

11 (d) Sections 202, 211, 212, 213, 221, 222, 223, 224,
12 225, 226, 231, 243, 252, 253, 254, 255, 256 (1), (2), and
13 (3), 301, 311 through 338, 361, 401, 402, 403, 404, and
14 405 (1), (3), (4), and (5) of the Trade Expansion Act of
15 1962 are repealed.

16 (e) All provisions of law (other than this Act, the
17 Trade Expansion Act of 1962, and the Trade Agreements
18 Extension Act of 1951) in effect after the date of enactment
19 of this Act, referring to section 350 of the Tariff Act of
20 1930, to that section as amended, to the Act entitled “An
21 Act to amend the Tariff Act of 1930,” approved June 12,
22 1934, to that Act as amended or to the Trade Expansion
23 Act of 1962, or to agreements entered into, or proclamations
24 issued, or actions taken under any of such provisions, shall
25 be construed, unless clearly precluded by the context, to

1 refer also to this Act, or to agreements entered into or proc-
2 lamations or orders issued, pursuant to this Act.

3 (f) Headnote 4 to schedule 1, part 5, subpart B of the
4 Tariff Schedules of the United States (77A Stat. 32, 19
5 U.S.C. 1202) is hereby repealed.

6 (g) The Johnson Debt Default Act (62 Stat. 744; 18
7 U.S.C. 955) is hereby repealed.

8 (h) Section 350 (a) (6) of the Tariff Act of 1930 is
9 repealed.

10 SEC. 707. CONSEQUENTIAL CHANGES IN THE TARIFF
11 SCHEDULES.—The President shall from time to time, as ap-
12 propriate, embody in the Tariff Schedules of the United
13 States the substance of the relevant provisions of this Act,
14 and of other Acts affecting import treatment, and actions
15 thereunder, including modification, continuance, or imposition
16 of any rate of duty or other import restriction.

17 SEC. 708. SIMPLIFICATION AND MODIFICATION OF
18 THE TARIFF SCHEDULES.—(a) If the President determines
19 that such action will simplify or clarify the Tariff Schedules
20 of the United States, or that it will reduce barriers to inter-
21 national trade, he may from time to time, upon recommen-
22 dation of the Tariff Commission, modify or amend the Tariff
23 Schedules of the United States, which modification or amend-
24 ment may include, without limitation:

25 (1) establishment of new classification;

1 (2) transfer of particular articles from one clas-
2 sification to another classification; and

3 (3) abolition of classifications:

4 *Provided*, That except as authorized in subsection (b), such
5 action shall not result in any modification of any rate of duty
6 or other import restriction. This subsection shall not be
7 deemed, however, to authorize the adoption of a revised
8 tariff nomenclature in place of the Tariff Schedules of the
9 United States.

10 (b) If the President determines that such action would
11 contribute to the simplification or clarification of the Tariff
12 Schedules, he may—

13 (1) modify the rate of duty applicable to any
14 article, or impose or eliminate a rate of duty in respect
15 of any article, provided that no rate of duty or duty-
16 free treatment may be changed by more than 1 per
17 centum ad valorem (or the ad valorem equivalent) from
18 the rate existing on the effective date of this Act, or as
19 modified in accordance with the provisions of any trade
20 agreement concluded in accordance herewith;

21 (2) subject to subsection (d), modify the rate of
22 duty applicable to any article or impose or eliminate a
23 rate of duty in respect of any article, without regard to
24 the limitation contained in paragraph (1) of this sub-
25 section, or modify another import restriction, applicable
26 to an article, or group of articles, the annual imports of

1 which have in none of the immediately preceding ten
2 years exceeded \$10,000.

3 (c) Before recommending to the President any action
4 under this section the Tariff Commission shall publish in
5 the Federal Register a public notice of the type of modifica-
6 tion of the Tariff Schedules which it has under consideration,
7 and shall give interested parties adequate opportunity for
8 the presentation of their views to the Commission.

9 (d) Following any modification of the type authorized
10 by subsection (b) (2) which has, or could have, the effect
11 of reducing or eliminating a duty or other import restriction,
12 the Tariff Commission shall, for a period of five years follow-
13 ing the effective date of such modification, observe the effect,
14 if any, of the modification on the importation of the article,
15 or group of articles, involved. The Commission shall
16 promptly report to the President any substantial increase in
17 the imports of such article, or group of articles, during such
18 five-year period. If the President determines that an effect
19 of the modification has been a substantial increase in the
20 imports of such article or group, and that such increase has
21 resulted, or is likely to result, in injury to the domestic indus-
22 try producing the like or directly competitive article, he shall
23 promptly terminate the modification of the duty or other
24 import restriction of such article or group of articles.

25 (e) The President may at any time terminate, in whole
26 or in part, any action taken under this section.

93^d CONGRESS
1ST Session

H. R. 6767

A BILL

To promote the development of an open, non-discriminatory, and fair world economic system, to stimulate the economic growth of the United States, and to provide the President with additional negotiating authority therefor, and for other purposes.

By Mr. MILLS of Arkansas, Mr. SCHNEIDER,
Mr. CONABLE, Mr. CHAMBERLAIN, Mr.
CLANCY, Mr. BROTZMAN, Mr. PETTIS, and
Mr. DUNCAN

APRIL 10, 1973

Referred to the Committee on Ways and Means